

Media Study Report

June 2010



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1 BACKGROUND

This study is intended to provide the basis for the Ministry of Culture's development of a national media strategy. The study includes a needs assessment for Serbia, a comparative study involving three EU-Member States, which are presented below, and finally recommendations for future measures concerning the creation of a national media strategy.

Three EU Member States have been chosen for direct comparison and inspiration to demonstrate European best practices and solutions to the key issues identified in Serbia.

The Nordic countries with Sweden, Finland, and Denmark have very similar markets, media landscapes and populations. Of these Denmark has been selected because it has a dual public and private system and a long tradition for local and regional broadcasting, which could provide a feasible model for the future media structure in Serbia. Denmark would also be relevant because its daily newspapers are primarily owned by independent funds.

Austria has been chosen because its cultural context and its size are familiar to Serbia. Another similarity is that of overlapping language territories. Austria has strong German language media distributed from Germany and Switzerland and has experienced a controlled transformation of a public service monopoly to a dual system with regional TV and Radio.

Germany is included because its legislation is very clearly structured compared to other large countries as United Kingdom or France. The market and population is obviously very different from Serbia but the principles of its legislative, ethical and public service fund provide useful inspiration.

More than 40 interviews with stakeholders have been carried out during the three weeks mission to Serbia in addition to the economic and legal analyses.

To address the identified needs in a focused manner the study is divided into six themes all analyzed in an economic, a legal and a media policy perspective.

- The first thematic chapter discusses the fragmentation and weakening of local media, their lack of financial sustainability and in many cases questionable editorial independence. The chapter looks at new regional structures following the switch from analogue to digital broadcasting in 2012.
- The steep decrease in revenue from license fees and advertisements harms both public and private broadcasters. The second thematic chapter discusses the economy and methods to prioritize among the commercial broadcasters in relation to the limited Serbian market.
- In the third thematic chapter on regulatory bodies the study deals with the Republican Broadcasting Agency (RRA, English abbreviation RBA), RATEL and the newly established Press Council.
- The consequences for Serbia and the choices following the digitalization in 2012 will be dealt with in this thematic chapter. Also discussed are the consequences for local, regional and national broadcasters as well as the general structure of the media market.
- The fifth thematic chapter focuses on distribution of media contents via different channels, cable and IP broadcasting and retransmission, and issues related to intellectual property rights issues, new media and related regulations.
- The different principles and modalities for public support to local, minority, regional and national media are discussed and new solutions proposed in the sixth thematic chapter.

2 ANALYSIS

2.1 OVERVIEW ACQUIS COMMUNAUTAIRE AND COUNCIL OF EUROPE

In the analysis of the identified six themes we briefly refer to those EU regulations, which form the *Acquis Communautaire* for the audiovisual area that Serbia in case of EU membership must comply to. We also briefly refer to the principles of the Council of Europe on relevant issues. To avoid repetitions an overview of the existing *Acquis Communautaire* and the Council of Europe principles covering the audiovisual area is included below.

Audio Visual Media and Services Directive

In December 2007, the EC adopted the *Audiovisual Media Service Directive* (“AVMS Directive”), which will apply to all “audiovisual media services” (that is, services providing moving images with or without sound). This includes traditional television broadcasts (termed “linear” audiovisual media services) as well as on-demand services (termed “non-linear”). Both of these services are subject to a basic set of rules. The distinction between linear and on-demand services is the basis for a graduated regulatory approach: In a two-tier system of rules the Directive acknowledges a set of core societal values applicable to all audiovisual media services, but provides lighter regulation to on-demand services where the users have a more active, “lean-forward” approach and decide on the content and the time of viewing. All audiovisual media services have to respect a base line set of requirements addressing identification information of providers, protection of minors, protection against incitement to hatred and commercial communication. However, a number of additional, more specific and stricter rules in the areas of advertising and protection of minors are foreseen for television broadcasts due to their impact on society.

There are particular rules on linear services and particular rules for non-linear services. In addition to jurisdictional issues, other topics such as advertising, sponsorship, product placement, teleshopping, etc. are addressed, in addition to the protection of minors and the public interest for transmission of short news reports.

The AVMS Directive also recognizes both the existence and the role of national independent regulators.

Protection of Minors

The AVMS includes particular provisions on the protection of minors. The AVMS’s general approach, a system of graduated regulation, applies also to the protection of minors. The less control a viewer has and the more harmful a specific content could be the more restrictions apply. It differentiates between linear and non-linear services. Linear services which “might seriously impair” the development of minors are prohibited (i.e. pornography or gratuitous violence). Those which might simply be “harmful” to minors can only be transmitted when it is unlikely – by selecting the time of the broadcast or by any technical measure (e.g. encryption) – that minors will be exposed to them. Where such programmes are not encrypted, they must be preceded by an acoustic warning or made clearly identifiable throughout their duration by means of a visual symbol that they should not be watched by minors.

The Audiovisual Media Services Directive is complemented by the *1998 and 2006 Recommendations on the Protection of Minors and Human Dignity*.

By contrast, non-linear Programmes which "might seriously impair" the development of minors are allowed in on-demand services, but they may only be made available in such a way that minors will not normally hear or see them. This could be done by the use of PIN codes or other, more sophisticated age verification systems. There are no restrictions for programmes which might simply be "harmful".

Media literacy

In addition to the provisions of the *AVMS Directive* which promotes media literacy in the digital environment, the EU Commission has issued *Recommendation 2009/625/EC* on 20 August 2009 on media literacy in the digital environment for a more competitive audiovisual and content industry and an inclusive knowledge society. The Recommendation aims to increase media literacy in the digital environment in order to achieve a more competitive knowledge economy and contribute towards a more inclusive information society.

According to the recommendation, EU Member States:

- Are invited to develop and implement co-regulatory initiatives leading to the adoption of codes of conduct by European media;
- Are encouraged to promote and finance research, studies and projects covering the different aspects and dimensions of media literacy in the digital environment;
- Are also encouraged to organize debates in conferences and public events concerning the inclusion of media literacy in the education curriculum and as part of the provision of key competences for lifelong learning;
- Should also implement national campaigns to increase public awareness of cultural heritage, and awareness of the risks involved in processing personal data through information and communication networks.

Moreover, the Media industry is invited to suggest tools improving the level of media literacy, such as:

- Information tools relating to digital content and search engines;
- Awareness-raising campaigns about techniques used for commercial communication purposes (product placement and online advertising);
- Information packs for young people on the processing of personal data;
- Information seminars on the creative economy and copyright.

Public broadcasting financing and State aid

Public service broadcasters are broadcasters with a public mission and EU Member States are free to define the scope of that mission. This mandate enables them to fulfil the democratic, social and cultural needs of a particular society and protect pluralism, including cultural and linguistic diversity.

Public broadcasters benefit from fees or from direct state funding. The *Protocol on the System of Public Broadcasting in the Member States* addresses the EU Commission's task to verify Member State compliance with Treaty provisions, especially the rules concerning State Aid rules to media. In the *Communication Commission on the Application of State Aid Rules to Public Service Broadcasting* from 2001, the EU Commission outlines its policy in this area. It adopted a *revised Communication* on 2 July 2009. The new Communication has sharpened the focus on accountability and effective control at national level by including a transparent evaluation of the overall impact of publicly-funded new media services. The main changes include: ex ante review of significant new services launched by public service broadcasters, balancing the market impact of such new services with their public value being a key feature; clarifications concerning the inclusion of pay services within the public service remit; more effective control of overcompensation and enhanced supervision of the public service mission at the national level.

Whereas the EU Commission takes the firm view that the financing of public broadcasters through license fees constitutes a form of state aid, the jurisprudence of the European Courts is unclear and points in different directions without explicitly addressing the question. Further, the Court of First instance has stated that the scope of the public mission must not be confused with the method of financing this public mission. It has concluded that the Member States are allowed to define public services of general economic interest broadly and quality related, so that programming can be diverse and also include parts financed by advertising.

Spectrum regulation

According to the *Framework and Authorization Directives on Electronic Communications*, there are four main activities in EU radio spectrum policy:

- Identification of needs for spectrum coordination at EU level – including the monitoring of a wide range of EU policy areas dependant on radio spectrum, such as electronic communications, transport and research.
- Harmonization of spectrum usage in individual bands across Europe where necessary.
- Establishment of policy priorities where requests for spectrum use collide.
- Regulating access to radio spectrum, with the aim of easier and more flexible access for public and private users.

The allocation and management of radio spectrum in the European Union is administered by national administrations, as radio spectrum remains principally the responsibility of Member States. However, the European Commission ensures that the use and management of radio spectrum in the EU reflects the goals of relevant EU policies. The 2009 Review of the *Regulatory Framework for Electronic Communications* has led to a new instrument in the area of *Radio Spectrum Policy*. According to the revised Framework Directive, the Commission may submit legislative proposals to the European Parliament and Council to establish long-term Radio Spectrum Policy Programmes (RSPP).

Copyright

Council Directive 93/83/EEC of 27 September 1993 addresses issues relating to the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission.

The satellite broadcasting of copyright works requires authorization from the rightholder. The right to broadcast these works may be acquired from the rightholder only by agreement. Performers are granted an exclusive right to:

- Broadcast live performances by satellite;
- Fix (record) an unfixed performance;
- Reproduce a fixation of a performance.

Where a phonogram is used for a satellite broadcast, an equitable remuneration is to be paid to the performers, or to the producers of phonograms, or to both. Broadcasting organizations have exclusive rights over the retransmission, fixation and reproduction of fixations of their broadcasts. Limits may be imposed on the right to authorize or prohibit broadcasting, for example in the case of private use or the use of short excerpts in connection with programmes on current events. Member States may establish further protective measures than that required by the Directive.

Cable retransmission of broadcasts is regulated by copyright and related rights in the Member States and by agreements between copyright owners, holders of related rights and cable operators. These rights to authorize or prohibit the cable retransmission of a broadcast are exercised through a collecting society, except where they are exercised by a broadcasting organization in respect to its own transmissions.

Council of Europe

The main challenges addressed by the Council of Europe are:

- Defending and maintaining its fundamental principles in new environments,
- Promoting freedom of expression in the complex context of the new communications services.

In this respect, the Council established the Steering Committee on Media and New Communication Services (CDMC).

At the level of the Council of Europe, particular legal instruments are used.

The most important one promoted by the Council of Europe is the *European Convention on Transfrontier Television (ECTT)*, adopted in 1989 (entered into force in 1993) and amended in 2002. The ECTT provides minimum common rules, in fields such as freedom of expression, programming, advertising, sponsorship and the protection of certain individual rights. It entrusts the transmitting States with the task of ensuring that transmitted television programme services comply with its provisions. In return, the states are guaranteed freedom of reception of programme services including the retransmission of the programme services which comply with the minimum rules

of the Convention. This document is currently under revision with the main goal of adapting it to the new realities of the industry.

Council of Europe standards in the field of media can also be identified in *Recommendations of the Parliamentary Assembly* as well as from *Declarations of the Committee of Ministers*.

In addition, the Study Team believes that concerning the CoE standards, the following is relevant:

In its *Declaration on the Freedom of Expression and Information* of April 29th 1982, the Council reaffirmed that media pluralism and diversity of media content are essential in a democratic society and constitute corollaries of the fundamental right to freedom of expression and information as guaranteed by *Article 10 in the Convention for the Protection of Human Rights and Fundamental Freedoms*.

In its *Recommendation on Media Pluralism and Diversity of Media Content* (2007), the Committee of Ministers calls on Member States to encourage the development of different types of media, including community, local, minority or social media, able to contribute to pluralism and diversity.

In its *Declaration on Protecting the Role of the Media in Democracy in the Context of Media Concentration*, the Committee of Ministers stresses that policies designed to encourage the development of non-commercial media may promote a diversity of autonomous channels for the dissemination of information and expression of opinion, especially for and by social groups rarely focused on by mainstream media.

The *European Charter for Regional or Minority Languages* emphasises the obligation of the parties to ensure, facilitate or encourage the creation of media outlets in regional or minority languages.

More recently, the Committee of Ministers adopted a *Declaration on the Role of Community Media in Promoting Social Cohesion and Intercultural Dialogue* (February 2009). This document recognizes community media as a distinct type of media, separate from public service and private commercial media and addresses related spectrum issues.

In its *Recommendation on Cable Networks and Local Television Stations*, the Parliamentary Assembly notes amongst other issues that the development of cable networks, satellite broadcasts and local television stations may contribute to democracy in the countries of central and Eastern Europe. The Recommendation encourages the countries of Central and Eastern Europe to amend their national legislation on copyright and neighbouring rights and introduce structures for collecting and distributing the royalties accruing from these rights in order to boost national or local media productions and develop employment in this sector.

In its *Resolution on the Situation of Local Radio in Europe*, the Parliamentary Assembly stressed that local radio holds an ideal potential for freedom of expression and information, development of culture, freedom to form and confront opinions, and active participation in local life, on the condition that local radio stations are subject to regulations and that objectiveness and plurality are ensured. Financing should be diversified.

The Council of Europe dedicates significant attention to standards regarding the organization and functioning of public service media. In terms of commercial media, the attention is primarily focused on content regulatory policy as well as on media concentrations:

In the 2004 *Recommendation on Public Service Broadcasting*, the Parliamentary Assembly stressed that public service programmes are under threat by political and economic interests, by increasing competition from commercial media, by media concentrations and by financial difficulties. Public service media are also faced with the challenge of globalization and the new technologies. The recommendation recognizes that the merit of public services is to operate independently of those holding economic and political power. The same document underlines that the coexistence of public and commercial media has largely contributed to innovating and diversifying the supply of content and has had a positive impact on quality. It also urges further clarification of the issue of public service broadcasting financing following jurisprudence of the European Courts.

For these reasons, the Assembly encourages Member States to establish an appropriate legal, institutional and financial framework for the regulation of public service broadcasting. In this respect, the Group of Specialists on Public Service Media in the Information Society issued in 2008 a *report on how member states should ensure legal, financial, technical and other appropriate conditions required to enable public service media to discharge their remit*. For instance, it was recommended to develop education and training programmes, adapted to the digital media environment, for journalists.

In 2007, the Committee of Ministers adopted a *Recommendation on Measures to Promote the Public Service Value of the Internet*.

The Committee of Ministers adopted in 2000 the *Recommendation Rec (2000)23* on the independence and functions of regulatory authorities for the broadcasting sector and the annex which includes the guidelines concerning the independence and functions of regulatory authorities for the broadcasting sector. The Committee of Ministers adopted in 2008 a *Declaration on the Independence and Functions of Regulatory Authorities for the Broadcasting Sector*. It outlines the principles of effectiveness, transparency and accountability of independent broadcasting regulatory authorities.

The conclusions of the *Regional seminar on the Program-monitoring Functions of National Regulatory Authorities* emphasized that broadcasting regulatory authorities should have adequate and proportionate powers to ensure public access to networks and services, set standards, promote quality and ensure a sustainable, technologically up-to-date industry. Regulatory authorities should be closely involved in the development and implementation of national audiovisual and broadcasting policies and legislation.

In 2003, the Committee of Ministers adopted a *Recommendation on Measures to Promote the Democratic and Social Contribution of Digital Broadcasting*. The Committee stresses the particular importance of respecting the principles of the *Recommendation on measures to promote media pluralism*, in particular those concerning media ownership rules, access to platforms and content diversity.

In 2008, The Committee of Ministers adopted a *Declaration on the Allocation and Management of the Digital Dividend and the Public Interest*.

In 2002, the Committee of Ministers issued in the field of copyrights a *Recommendation on Measures to Enhance the Protection of the Neighbouring Rights of Broadcasting Organizations*. This document lists a set of rights that should be granted to broadcasting organizations in order to increase the level of protection of neighbouring rights.

The recommendation also encourages adequate legal protection and effective legal remedies to avoid circumvention of effective technological measures used by broadcasting organizations to exercise their neighbouring rights and avoid unauthorized removal or alteration of electronic rights management information.

In 2001, the Committee of Ministers issued a *Recommendation on Measures to Protect Copyright and Neighbouring Rights and Combat Piracy, Especially in the Digital Environment* which raises concern about the impact of new media technology on intellectual property rights.

The Council of Europe has been quite active in promoting standards for the development of new media, particularly with regards to virtual media.

In 2008, The Council of Europe together with the European Internet Services Providers Association (EuroISPA) published two important guideline documents;

The Human Rights Guidelines for Internet Service Providers stresses the importance of users' safety and their right to privacy and freedom of expression and, in this connection, the need for providers to be conscious of potential human rights violations by their activities. *The Human Rights Guidelines for Online Games Providers* stresses the importance of gamer safety, their right to privacy and freedom of expression and, in this connection, the importance for the games industry to be conscious of the impact on human rights by participation in games;

The Recommendation of the Committee of Ministers for the Protection of Privacy on the Internet offers guidelines for the protection of individuals with regard to the collection and processing of personal data on information highways which may be incorporated in or annexed to codes of conduct.

The Declaration of the Committee of Ministers on Freedom of Communication on the Internet elaborates on the principle of limited liability of service providers for Internet content, depending on their function in the value chain.

The Recommendation of the Committee of Ministers to Member States on Measures to Promote the Respect for Freedom of Expression and Information with Regard to Internet Filters notes that voluntary and responsible use of Internet filters, products, systems and measures to block or filter Internet content can promote confidence and security on the Internet for users, in particular children and young people. It also stresses that the use of such filters can impact on the right to freedom of expression and information protected by *Article 10 of the European Convention on Human Rights*.

2.2 LOCAL ▪ MUNICIPAL ▪ REGIONAL BROADCASTING

2.2.1 EU ACQUIS

The *EU Acquis* does not specifically address public service regional radio and television, but the area remains covered under general provisions for public service broadcasting. Regional TV may by EU decisions be defined as public service functions and eligible to funding through license fees¹. *Article 18 of the AVMS Directive* exempts broadcasts which are intended for a local audience and which do not form part of a national network from 'european content quota' obligations. More broadly, the *AVMS Directive* acknowledges the growing importance of diversity of opinion for societies and democracy. Although there is no direct reference in the *AVMS Directive to Local and Regional Media*, these media can significantly contribute to diversity.

For Serbia the best practices as discussed for e.g. Austria, Denmark and Germany will offer discussions of some of the typical legal, content and economic frameworks present among EU Member States. Best practices also imply that independent media are not directly or indirectly managed by elected political bodies.

2.2.2 COE STANDARDS

As discussed later the Council of Europe stresses in its *resolution 1636 (2008) Indicators for Media in a Democracy of the Council of Europe* that "private" media should not be managed by the state or state controlled companies.

In the appendix to the Council of Ministers *Recommendation Rec (2003)9 on Measures to Promote the Democratic and Social Contribution of Digital Broadcasting* the Committee calls on Member States to seek ways of encouraging a rapid changeover to digital broadcasting while making sure that the interests of the public as well as the interests and constraints of all categories of broadcasters, particularly non-commercial and regional/local broadcasters, are taken into account. In this respect, an appropriate legal framework and favourable economic and technical conditions must be provided. This is of course very relevant when dealing with the transitional media landscape in Serbia.

Recommendation 1228 (1994) 1 on Cable Networks and Local Television Stations calls for support for the efforts of cable networks and local television stations in Central and Eastern Europe through the provision of production and post-production material in exchange for programmes.

¹ Please refer to Chapter 6, regarding state aid rules.

2.2.3 ECONOMIC BACKGROUND

The Business Registration Office² in Serbia has registered a total of 193 radios out of which 5 are national, 30 regional and 158 are local radio outlets. 99 television outlets are registered out of which 6 are national, 26 are regional and 67 are local broadcasters. 517 print media outlets are registered, out of which 390 are national, 69 are regional and 58 are local prints. 20 are dailies.

Without knowing the exact number RATEL estimates that there are less than 200 local pirate broadcasters. While the RBA, the Ministry of Trade and Services and RATEL all have the legal basis to demand pirates to close down, RATEL has in 2008 requested a number of pirate broadcasters to cease broadcasting but they have reopened shortly after. The Ministry of Culture explains that there is no legal basis for confiscating production and broadcasting equipment.

A privatization of all state owned institutions was initiated on the basis of the *Law on Privatization*. According to Article 102 of the *Law on Public Information*, media outlets, which are founded by the state or a territorial autonomy entity, or a predominantly state-owned institution and to which provisions of the *Broadcasting Law* do not apply, were supposed to cease operation, thus resulting in privatization 2008. According to *Article 96 of the Broadcasting Law* the privatization of all state owned electronic media should have been privatized by 31 December 2007. Following the privatization of 31 electronic and 25 print media the process was stopped. Most of the remaining municipal media protested against being privatized. 7 electronic and 5 print media had had their privatization suspended mainly because the new owners did not sign the contract or pay the agreed prize according to Independent Journalists' Association of Vojvodina (NDNV), Regional Government of Vojvodina Province, and Local Press et al.

Formally the privatization process was stopped by Conclusion of the Government of the Republic of Serbia about the need for stopping the privatization process of radio and television stations to ensure broadcasting of programmes in languages of national minorities.³ Currently this has kept 36 media in the direct ownership of municipalities of which 21 municipalities want to avoid privatization. The Privatization Agency awaits instructions from the Ministry for Economy and Regional Development on how to proceed.

² Pursuant to Article 14b of the Law on Public Information ("Official Gazette of RS", no. 43/03, 61/05 and 71/09), the Minister of Culture adopted the Rules on the Management of the Public Media Register, ("Official Gazette of RS", 82/09), which entered into force on 14 October 2009, pursuant to Article 9 of the aforesaid Rules. With the enactment of these Rules, the founders of print daily media have acquired the obligation to apply for registration with the Public Media Register kept by the Serbian Business Registers Agency, within 30 days from the effective date of these Rules, and the founders of other public media must fulfill the same obligation within 90 days from the effective date of this By-Law. All of the media set forth in Article 11 of the Law on Public Information ("Official Gazette of RS" no. 43/03, 61/05, 71/09), are subject to registration in the Public Media Register, specifically:

- newspapers
- radio programs
- television programs
- services of news agencies
- internet editions of public media (if this is the only form of publishing-broadcasting)
- other internet editions of public media
- other public information media which by way of word, picture or sound publish ideas, information and opinions intended for public distribution and undetermined number of users.

According to Article 12 of the Law on Public Information, the following are not considered public media:

periodicals in a specific specialist field intended for the sole purpose of informing or educating a specific group of professionals
publications, catalogues and programs containing ads, advertising and information intended for the market newsletters, bulletins and similar publications intended for purposes of internal information which are not distributed publicly official media of the state, territorial autonomy units and local self-government, as well as other official media leaflets, posters and other forms of public information are also not considered public media.

A public medium does not have the capacity of legal entity. The founder of a public medium can be a publishing or broadcasting domestic legal entity (one). If the contents of a public medium (print, radio or television) is published on the internet, this shall not be regarded as a separate public media but as the internet edition of a public medium, (the website address has to be indicated in the application, in the section provided for the name of the internet, electronic or other edition of a public medium).

(Published on <http://www.apr.gov.rs/eng/Registers/PublicMedia/Instructions.aspx> - read 26 April 2010)

³ The governmental conclusion was issued 27th of December 2007.

2.2.4 STAKEHOLDER BACKGROUND

The interviews conducted in connection with this study reveal that the vast majority of the broadcasts by local media base their economy on phone-ins, sponsored music wishes, sponsored programmes and similar sources of income. Commercial local broadcasters have a few local advertisements, and sponsorships. An informal network of local broadcasters has exchanged programmes with each other and other privately founded radio and TV stations have gradually spread their coverage to more than one municipality. However, the professionalism is generally perceived to have potential for improvement.

Regional broadcasters founded by at least 2 municipal assemblies according to *Broadcasting Law*, 18th of July 2002, §96 have a slightly better economy. So has the broadcasters predominantly owned by municipalities and run as public companies in accordance with *Article 96 of the Broadcasting Law*. Generally they have been perceived by our interviewees as the most professional ones, covering local news, culture, debate, minority issues and other programmes of public interest. They follow the rules on public broadcasting with respect to programme obligations, restricted advertisement etc., but their management structure is dependent on the municipal government. In some cases the municipal media are said to be under direct editorial influence by the local government.

One of the remaining municipal broadcasters NIŠ TV has its director appointed by the Municipal Assembly and its editor-in-chief appointed by the steering committee, whose members reflects the majority in the Municipal Assembly. It has a staff of 94 persons and an annual budget of 600.000-700.000 euro, out of which 45% are granted by the municipality through its call for project proposals. The remainder of the money comes from advertisement.

The economy makes it obvious that too many local broadcasters in a small market will not be able to deliver programmes contributing to the development of civil society and democracy at local level. From a programme perspective it is irrational to have hundreds of broadcasters on their own frequencies broadcast for a full day or even 24 hours of programmes. Hardly any listeners or viewers will stay on such channels throughout the day but will seek information, education and entertainment from national broadcasters of a higher quality.

Local audience surveys as for Kragujevac Radio and TV show distinct differences in audience viewing. It peaks during the local news and special programmes and almost fades away between these peaks. The broadcaster (including website) has 97 employees and a budget of roughly 860.000 euro out of which 60 % is income from the municipality.

A strong financial and structural dependence on municipal assemblies and governments however works against safeguarding the editorial independence of the individual local broadcasters.

The right of the City Council of the Capital City Belgrade to set up local media is specifically addressed in *Article 8 in the Law on the Capital City*. It is arguable that this provision addresses a more specific situation (media, in particular broadcasting set up by the Capital City Council) as opposed to the provisions under the *Broadcasting Law* which addresses local and regional media in general. Thus, the *Law on the Capital City* might have the effect that electronic media established by the City Council of Belgrade are not subject to the privatization requirement. According to European continental legal doctrine, the more specific law (e.g. the *Law on the Capital City*) supersedes the more general law. Moreover, Article 96 subsection 10 which specifies which electronic media must be privatized does not explicitly refer to the media set up by the City Council of the Capital City. It is equally unclear which status the media set up by the Belgrade City Council should have as they are mentioned in the same

paragraph as public utility functions, such as water supply, municipal roads, in addition to police; out of this context, a public service function might be construed.

Print media

The print dailies have a negligible share of the advertisement market and the circulation keeps falling. A few are still owned by a municipality, but future of privatized local print media on market conditions is decidedly bleak. Apart from two dailies in Novi Sad and Nis the print media in the province are weeklies, monthlies, bi-monthlies or other less regularly published media. The regularly published media gain their income mainly from selling the publications to the readers and only in limited degree from advertisements. The business model for such publications is hardly sustainable and particularly not during the current crisis. According to the association covering these prints – Local Press 60-70 % were owned by municipalities and only 5-10 % have not been privatized yet. However, with a total circulation of approximately 400.000 copies per month there is indeed a market, but which is so small that it will be difficult to maintain professional standards without renewed development.

Regional broadcasting

Several stakeholders have stressed a need for professionally based quality broadcasting at regional level. One possibility would be to follow the current 5 statistical regions in Vojvodina, Belgrade, Šumadija and Western Serbia, Southern and Eastern Serbia, and Kosovo and Metohija. Others have suggested a more decentralized broadcast structure with 3 traditional regions within the area of Vojvodina and similar divisions within the other statistical regions resulting in approximately 10-20 regional broadcasters in Serbia.

The digitalization of the television system through multiplexes is expected to offer more channels for distribution at national level, but consequently fewer at local level. Currently two and maximum three multiplexes are planned in Serbia with a total of 10-12 channels. The digital distribution system encourages centralization at regional level through networking or through co-sharing of the distribution channels. For radio it is still unclear when a possible digitalization will take place. For local and regional radio this may be in the form of online web based radio distribution. However, at present online distribution offers easy and cheap distribution and reception of radio programmes only for the 11% of Serbian households with broadband connections. (Source: Statistical Review 2009 of the Serbian Ministry of Telecommunications).

From an economic point-of-view radio-production is several times cheaper than TV. With the international trend towards bi-media multitasking, journalists produce for two media and may even be involved in technical production. Adding a regional radio news programme to a regional TV-station does not entail large additional costs.

The key challenge is to ensure that regional broadcasters with a sustainable economy deliver editorially independent and professional content that stimulates the citizens' active involvement in their local community. It is crucial for all radio and TV initiatives that programmes catering for minorities or small communities are produced, thus reflecting their right to freedom of expression.

2.2.5 COMPARISON WITH EU MEMBER STATES

Regional broadcasting

The three selected Member States of the European Union chosen as benchmark models for Serbia in this study have developed different models for television and radio at regional, local and community levels

Number of regions:

Austria (8.5 million inhabitants): 9 regional radio and TV have been established in compliance with the public administrative entities of federal states.

Germany (83 million inhabitants): 11 regional broadcasters with radio and TV have been established covering 16 federal states. This structure is almost comparable with that found in the United Kingdom (55 million inhabitants) which has 11 regional public service radios and TV as well as 14 commercial TV stations.

In Scandinavia, Denmark (5.5 million inhabitants) has established 8 regional TV stations and 11 regional radio stations following geographical rather than administrative divisions. Sweden (approx. 9 million inhabitants) has 19 regional TV stations and 26 radio stations. Norway (4.8 million inhabitants) has 11 regional television and 13 radio stations.

Organization and financing:

Point Nr. 8.22 of resolution 1636 (2008) Indicators for Media in a Democracy of the Council of Europe states that “private” media should not be managed by the state or state controlled companies. Regional TV may by EU decisions be defined as public service functions and eligible to funding through license fees⁴.

In Austria, Germany and Denmark the regional broadcasters are mainly organized as part of the public service broadcasting system. The average number of inhabitants per regional broadcaster is in Denmark roughly ½ million, in Austria 1 million and in Germany 7, 5 million people, making Germany a less relevant model to study as inspiration for a regional system in Serbia. The United Kingdom has parallel systems of license financed and commercially financed broadcasters but both have public service obligations. However, with 5 million inhabitants per region the situation in the United Kingdom cannot be copied in Serbia.

While the regional radios in Scandinavia and the regional radio/TV stations in Austria all are “regional studios” within the national public service broadcaster, regional TV in Denmark are locally based, independent legal entities. Denmark’s regional TV stations are organized as non-profit independent companies with an advisory board of civil society representatives monitoring the programming and electing the board of directors. The board of directors is responsible for hiring and dismissing the director, and has the overall responsibility for budget, accounts and programme policy. The director is editor-in-chief and has the sole responsibility for the daily programmes, the spending and the accounts.⁵ License fees for regional TV and the public service obligations for the regional TV stations are decided by the Parliament.

In all the three countries the regional broadcasters base their income on license fees and in Austria this is supplemented with advertisements. Denmark tendered a commercial national channel with obligations to run 7 new regional broadcasters but nobody was interested in bidding for this.

⁴ Please refer to Chapter 6, regarding state aid rules.

⁵ The boards of the regional TV stations are represented by 2 representatives in the board of the national TV2 Denmark. The regional windows in the national channel are determined by negotiations between the national broadcaster and the regional system. Service programmes for specific institutions can be paid by local authorities or public institutions in the region and placed outside the daily windows for regional broadcasting.

Programming:

The regional TV stations of Austria and Denmark as well as Norway and Sweden appear in regional windows in the national TV channel. In Austria and Denmark the regional radios broadcast locally several hours a day switching to and from the national channel as they wish.

Public service obligations for Danish TV2 regions entail that the entire programming must distribute information and debates to all social groups.⁶ Quality, diversity, impartiality and serious news as well as freedom of expression and access to information are key values. The programming must particularly mirror the diversity of culture, life attitudes and conditions in the region, as well as support regional cultural and sports activities. Minimum 10 % of the programme budget must be spent on the purchase of new productions from production companies outside the broadcaster. The TV stations are further obliged to open internet sites with free access to picture, sound and text and to provide for the sale of news and current affairs items to the national broadcaster.

⁶ Both regional and national TV stations stand to gain from having regional windows. The 8 Danish TV2 regions have a daily rating of 13-41%, and an audience share of 30 - 88 %. The main window between 19.30 and 20.00 is scheduled immediately after the national news broadcast which boosts the viewing of both programmes.

REGIONAL TV – COMPARISON

EU Country\ Regional TV ⁷	Inhabitants per region approx.	Election of board	Members of the board	Broadcast hours per day	Budget	Legalities
Denmark – 8 regional TV stations in TV2 umbrella	700.000	Advisory Programme Council formed by civil society organizations	Local persons who are not active politicians	App. 1½-2 hours through 6-8 regional windows at TV2 Denmark. Main Program 19.30-20	57 million euro 2010 ⁸ Equally shared between 8 regions. Only license fees	Organized as non-profit independent entities
Germany - 11 regional TV- and Radio Stations under ARD umbrella	7.500.000	Broadcasting Council – local civil society and political representatives . Varies from place to place. E.g. NDR the council elects director and administrative board ⁹	Local representatives. Rules vary.	Window on ARD national. Also a total of 24 hours across 7 regions ¹⁰ with sub-regional windows ¹¹	Varies from region to region. License fees and commercial revenue	Founded by the 16 states individually or in groups as public law institutions
Austria – 9 regional TV- and Radio stations under ORF	950.000	N/A	Editorial authority lies with director appointed by ORF	App. 2 hours across 3-4 windows at ÖRF. Main Program 19-19.30	N/A License fees and commercial revenue	Organized as units under the national public service broadcaster ORF

⁷ <http://www.circom-regional.eu/member-stations> - read 15.4.10

⁸ <http://www.bibliotekogmedier.dk/medieomraadet/radio-og-tv/landsdaekkende-og-regional/tv-2-regionerne/> - read 26.4.10

⁹ <http://www1.ndr.de/unternehmen/organisation/rundfunkrat/aufgaben/index.html> - read 26.4.10

¹⁰ <http://www.ard.de/-/id=161952/property=download/kvilfq/index.pdf> - read 26.4.10

¹¹ http://en.allexperts.com/e/g/ge/german_television.htm - read 26.4.10

SWOT Danish model in Serbia

Strength	Regional independence, editorial independence, very high ratings, politically attractive, close collaboration among regions and with national channel
Weakness	Collaboration among regions and with national channel is condition for success
Opportunity	A regional system builds on existing capacity within municipal broadcasters and possibly 'failed' privatized broadcasters
Threat	In each region concrete solutions must be negotiated with use of staff and equipment from existing radio and TV stations, and location for management and possibly production must be found

SWOT German model in Serbia

Strength	Regional structure with sub-regional studios
Weakness	The magnitude of regions and sub-regions is very different. Local politicians are members of boards
Opportunity	The multi-layer model has the opportunity to involve all layers of media
Threat	Complex structure for smaller Serbian regions

SWOT Austrian model in Serbia

Strength	Stable and sustainable model controlled by strong national public service broadcaster
Weakness	The regional stations are managed by national broadcaster
Opportunity	Easy to establish, building on RTS's antennae offices
Threat	Centralization

Local Radio and TV

Generally the number of community broadcasters in the three comparable EU Member States is close to the number found in Serbia. In Germany and in Denmark, there are relatively more. Today community radios are broadcast through local FM-transmitters or distributed through cable networks or through the Internet. In these two countries all radio organizations applying a license will usually obtain one but they are forced to share the frequency with other local radios and have clear restrictions on advertisements and on the programming emphasizing local production and content.

None of the community media (civil sector media in Serbia) are owned by the local authorities but can receive financial support to their programming. In Denmark the national broadcasting agency organizes calls for proposals for local radio and TV initiatives following the principles for "beauty contests". Based on defined criteria concerning the amount of locally and regionally produced programmes, the national broadcasting agency allocates grants to the stations. Before the digitalization of TV, local television stations were given licenses for shared frequencies. With the digitalization of TV each region in Denmark has two regional channels in its multiplexes. One is used for the regional public service broadcasters. The other is used by all non-commercial TV initiatives in the region, allowing them as an association to run a shared digital channel, which is technically operated from the public service station. Commercials are not allowed while subscription, member fees, sponsoring etc. is allowed when done transparently. The local media are mostly organized as associations with a general assembly of members serving as the advisory board, a board of directors as formally responsible and a director as editor-in-chief with responsibility for the programmes.

In cases where commercial media in Austria can apply for a local frequency, strict conditions to the programming are set by the national broadcasting councils.

In Germany, the regulatory body of the regions or “Länder” defines the public service obligations for local broadcasting. Usually, these obligations regard welfare, local economy, local social issues and local politics. In Germany, analogue local radio broadcasts may only be disseminated by associations of civil society individuals. There must be a minimum of 8 individuals from various groups in civil society, including the county assembly, churches, trade unions, employers’ associations, youth and sports associations, charity, consumer protection associations etc. The regulatory body grants the permission for the specific programming formula and the dissemination area so that only one station broadcasts within a specific geographical area.

Local radio must serve the public interest and in general must ensure plurality of opinion. Associations of stakeholders can produce a framework program for more than one distribution area. Programs must be scheduled for at least 8 hours a day and government bodies must be given air time for official announcements. An operating company is responsible for the technical transmission but must not exercise any editorial influence. Thus, almost each large administrative district has its own radio. They have an extensive network which broadcasts when the individual stations do not broadcast their own productions.

Local TV and Radio	Commercial/-non-commercial	Own or shared frequency	Public support	Legalities
Denmark	Local TV is non-commercial	Shared frequency within each region	Grants can be given from the Broadcasting Council depending on percentage of local production	Typical local civil society associations. Also non-profit associations may broadcast in several regions
Germany	Non-commercial radios	Only one radio station given permission in each area but can be on shared frequency		Radios are associations and often in networks with other local radios
Austria	Mixture of commercial and non-commercial broadcasters	Own frequency, in several cases shared frequency within each region (radios)	13,5 mil € per year for support of TV production and 1 mil. € per year for non-commercial private radios from RTR – national regulatory body (incl. local broadcasters)	Mixture of private companies and local civil society nonprofit associations.

Sources:

<http://www.rtr.at/de/ffat/Fernsehfonds>

<http://www.radionetz.at/>

Print media

In the three selected Member States the local print media in terms of weeklies, monthlies and bi-monthlies do not receive any public support. In Austria, Denmark and Germany¹² they are almost always distributed to every citizen in the local area and are free of charge for the readers, financed through the sale of local advertisements, including those of private individuals.

When municipalities need to inform the local citizens they typically pay for advertisements and seek journalistic coverage from the local weeklies, because they reach everybody and have a very high readership.

Denmark gives economic support to daily newspapers through its national Newspaper Council favoring local and regional dailies but also to national dailies with low circulation and special profiles. The support is given in three forms: per distributed copy, through VAT exemption and through support for special projects.

Austria gives support to regional newspapers with more than 10.000 daily copies and to weekly newspapers with a minimum of 5.000 weekly copies.

Germany does not have government support to its newspapers. Indeed, direct subsidies as are being considered in France, Scandinavia or the Netherlands do not find political support. There are also budgetary constraints which currently do not favor adding expenses. However, other models such as allowing more flexibility in print media concentration and local cooperation are being discussed.

Local Print media	Number of local/regional papers	Circulation	Ownership	Legalities
Denmark	Denmark has a large number of gratis local or regional non-daily newspapers (free papers).	Dailies in tens of thousands per title, total circulation in hundreds of thousands.	Domestically, often locally, owned local papers.	Private companies and often foundations for dailies.
Germany	Regional and local dailies more than 220.	From several thousands to 250 000 per title.	Mostly domestically owned local papers.	Private companies.
Austria	Regional and local dailies – up to 10, weeklies more than 15.	From 10 000 to 130 000 per title.	Mostly domestically owned local papers.	Private companies.

Sources:

<http://www.oeak.at/>

<http://www.iww.de>

<http://www.nordicom.gu.se/>

<http://www.bibliotekogmedier.dk/medieomraadet/statistik/>

<http://www.pressenshus.dk/>

<http://www.do.dk/asp/publikationer.asp>

Nordic Media Trends 11: The Nordic Media Market 2009. Media companies and Business Activities Second edition. Published in 2009 by NORDICOM, University of Gothenburg.

2.3 NATIONAL PUBLIC AND PRIVATE BROADCASTERS

¹² As well as in the new EU Member States, e.g. Slovakia

2.3.1 EU ACQUIS

The *EU Acquis* does not specifically regulate national broadcasting. However, public service broadcasters are broadcasters with a public service mandate.

To fulfil this mandate, the public broadcaster benefits from license fees or, direct financial support from the State or other sources such as revenues from advertising.

The *Protocol on the System of Public Broadcasting in the Member States* (Amsterdam Protocol) defines the respective competencies of the European Union and the Member states in this field. While the definition of the public mandate falls within the competence of the Member States at national, regional or local level, the Commission's task is to review compliance with the provisions of the Treaty founding the European Union, especially the State Aid rules in this area. The Principles are laid down in the *Communication from the Commission on the Application of State Aid Rules to Public Service Broadcasting* (2001). A revised *Communication* was adopted on 2 July 2009. The Commission is of the view that also funding by end user license fees amounts to state aid (a view which is not shared by a number of Member States). The revised *Communication* has sharpened the focus on accountability and effective control at national level by including a transparent evaluation of the overall impact of publicly-funded new media services to be designed as public service. The question whether funding by license fees amounts to state aid has not been explicitly addressed by the European Courts (Court of First Instance and the European Court of Justice); Rulings addressing other subject matters allow conclusions on this question but point into different directions.

2.3.2 COE STANDARDS

The Council of Europe dedicates significant attention to standards regarding the organization and functioning of public service media. In terms of commercial media, the attention is mostly focused on content regulatory policy as well as on media concentrations:

In the 2004 *Recommendation on Public Service Broadcasting*, the Parliamentary Assembly stressed that such services are under threat by political and economic interests, by increasing competition from commercial media, by media concentrations and by financial difficulties. It is also faced with the challenge of adapting to globalization and the new technologies. It recognizes that the merit of public services is to operate independently of those holding economic and political power. The same document underlines that the coexistence of public and commercial media has largely contributed to innovating and diversifying the supply of content and has had a positive impact on quality. It also urges that the situation concerning public service broadcasting financing be further clarified following jurisprudence of the European courts.

For such reasons, the Assembly encourages Member States to define an appropriate legal, institutional and financial framework for the functioning of public service broadcasting. In this respect, the Group of Specialists on Public Service Media in the Information Society issued in 2008 a *Report on how member states should ensure legal, financial, technical and other appropriate conditions required to enable public service media to discharge their remit*. For instance, a recommendation was made to design education and training programmes, adapted to the digital media environment, for journalists.

In 2007, the Committee of Ministers adopted a *Recommendation on Measures to Promote the Public Service Value of the Internet*.

2.3.3 ECONOMIC BACKGROUND

Currently RTS is operating 2 analogue national TV channels and 1 test channel with digital HD TV. RTS has 3 analogue national radio channels. RTS is financed through license fees and revenue from the sale of advertisement time up to 6 minutes per hour or half as much as the commercial broadcasters. RTS 1 is the most watched channel in Serbia representing 26% of the viewing time compared with 6% for RTS 2 (AGB Nielsen Media Research, *TV Scena Srbije – 2009 godina*, Belgrade).

RTV falls in a separate category because it covers only the province of Vojvodina with 2 TV channels and 3 radio channels. RTV is a public service broadcaster financed through license fees and the sale of advertisements. RTV receives 25% of all the license fees collected in Serbia and is allowed to sell advertisement time up to 6 minutes per hour. According to the management RTV's share of viewing is 2.7 and 0.6 % for channel 1 and 2 respectively whereas the radio reaches a slightly larger audience. Actually, the RTS share of viewing in Vojvodina is considerably larger than that of RTV. Two of the RTV radio-channels and one of its television channels are dedicated mainly to broadcasting minority programmes in the province.

According to the management RTS is in a very restrained economic situation. The problems for RTS are due to inefficient collection of license fees. The drying up of commercial revenues impacted all broadcasters and all commercial television stations except Pink are estimated to run with deficits.

THE SERBIAN ADVERTISING MARKET – POSSIBILITIES AND LIMITATIONS

Serbia – Advertising Expenditures (2009)	161 mil. €	100%
TV	95	59,0 %
Print	36	22,4 %
Outdoors	20,5	12,7 %
Radio	6,5	4,0 %
Internet	2,5	1,6 %

(AGB Nielsen Media Research, *TV Scena Srbije – 2009*, Belgrade)

Serbia has the highest daily viewing time per individual in Europe in 2008 (see Annex 5.3). In Serbia it reached 303 min. in 2009 as compared to 156 min. in Austria, 175 min. in Denmark, and 221 min. in Germany.

The Serbian TV market is dominated by the First Channel of the public service broadcaster RTS and by the biggest private broadcasters. Serbian TV advertising expenditures totals 95 million euro. The RTS share of advertising expenditures is approx. 35 million euro, leaving 60 million euro for advertisement to be shared by all other channels

While Serbs are enthusiastic TV viewers, Serbian radio listening of 174 min. per day is below the European average. The Serbian radio market is highly fragmented as is evident from the fact that 17 stations have a market share above 1%. Radio in Serbia is used primarily by the 50 + age group as a source of information and radio advertising amounts to 4 % of total advertising spending, which reached 6.5 million euro in 2009.

All individuals interviewed for this study acknowledge that there are too many national TV channels for the limited Serbian market. A number of interviewees claim that some of the channels are used for money laundering or less transparent economic actions which have not been confirmed and cannot be examined here. However, the

broadcasters have obviously different profiles. Pink and FOX are successfully broadcasting mainly entertainment, the latter mainly internationally produced. B92 TV reaches the entire country with a mix of news, entertainment and as mentioned above also programmes with investigative journalism. It is clear that B92 has played and still plays an important watchdog role. However, this broadcaster is financially strained and gradually loses its share of the TV audience, when it does not broadcast reality shows or international football.

2.3.4 STAKEHOLDER BACKGROUND

In the period from 2005 to 2007 RTS was transformed from a state broadcaster to a public service broadcaster with public service programme obligations. A board, which is in principle politically and economically independent and does not include politicians, was appointed by the Republic Broadcast Agency. This board appoints the managing director of RTS. The relative success of the transformation of RTS from state to public service broadcaster is evident from the fact that the present General Director has remained in his position for 4½ years spanning 3 different governments.

As a state broadcaster RTS played a much criticized role during the Yugoslav war when controlled by Serbian president Slobodan Milošević. RTS has gained its present popularity by seeking to re-establish the credibility of its programmes with all parts of the population and by developing an attractive programme profile.

Public service mandate

The Broadcasting Law (§77-79) imposes demands to RTS public service programmes such as: programmes shall be of public interest and must include information, culture, art, education, religion, science, entertainment, sports, children's programmes etc. to meet the needs and rights of citizens. Programmes must ensure diversity and balance content, complying with democratic values of modern society, particularly the respect for human rights and pluralism.¹³ In particular, news broadcasts shall abide by the principles of impartiality and fairness, of freedom and pluralism and prevent any form of racial, religious, national, ethnic or other intolerance or hatred, or intolerance on the grounds of sexuality.

It is a condition for fair competition between public and private media that the public broadcaster provides public service programmes, thus distinguishing itself from commercial media. Competitors and several other actors in the media sector often claim that the profile of RTS is very similar to that of commercial broadcasters. A particular task of RTS and many other public service broadcasters in Europe is that they carry the responsibility for one or more

¹³ In order to achieve that goal, public broadcasting service carriers shall:

- Ensure that protection from any influence of the authorities, political organizations or centers of economic power;
- Cover all segments of society, without discrimination, and take particular account of specific societal groups such as children and youth, minorities and ethnic groups, handicapped, socially and medically vulnerable groups and the deaf-mute (with the obligation to simultaneously broadcast written text describing the audio segments of the action and dialogue);
- Adhere to linguistic and speech standards of the majority population but also of minorities in the area where the programme is broadcast;
- Ensure the satisfaction of the needs of citizens (majority and minorities) for programme content expressing cultural identity;
- Provide adequate time slots for broadcasting content related to activities of civic associations and NGOs and of religious communities;
- Provide during election campaigns free-of-charge and balanced broadcasts of promotions of political parties, coalitions and candidates (subject to some restrictions);
- Tender for independently produced programmes;
- Enable the use of self- or independently produced teletext;
- Develop and use modern technical and technological standards, in particular in transiting towards new digital technologies;
- Respect the importance and the role of churches and religious communities in society;
- Cooperate and exchange programme contents of interest to the citizens of Serbia.

national orchestras adding 300 members to their staff carrying out what is often seen as an important cultural service to the country.

In 2007 the RBA demanded that all parliamentary sessions must be recorded and broadcast live on the second RTS channel. RTS has opposed this decision vehemently because these broadcasts are impossible to plan, and obstruct a sustainable programme schedule with programmes that are usually of limited interest to the viewers. This problem remains unsolved despite alternatives such as having the parliamentary sessions distributed on the Internet, broadcast after midnight or through cable networks or as a radio programme. It is hardly desirable for any broadcaster to use its key broadcasting hours for political sessions without any journalistic editing.

RTV

RTV has a particular position with channels, programmes and commitments to provincial orchestra that resembles that of a national broadcaster. In addition, RTV has a special responsibility to cover and broadcast minority programmes in minority languages, because 30% of Vojvodina's population consists of minorities, most of them from neighbouring countries.

RTV radio attracts according to the management slightly more listeners than RTS in Vojvodina, and is in some cases more attractive to the minorities than broadcasters in the neighbouring countries. RTV has 25-year old equipment, the TV station is located in rented office space and it has an overstaffed crew eager to reverse its very low ratings in its local area. The audience for RTS television broadcasts in Vojvodina is according to the management 5-7 times larger than that of RTV.

From a professional media and market point of view it is understandable that RTV is in a difficult position. Its profile resembles that of a mini national broadcaster, but it does not have sufficient resources, nor has it the national topics and events to cover that would make it unnecessary for its target audience to visit RTS or other truly national broadcasters. However, RTV has the experience to produce professional and attractive programmes for minorities and obviously also the experience to become the leading regional broadcaster in the Vojvodina province. It could become an anchor in a new regional broadcasting system.

Strategically the RTV considers using its domestic minorities profile to become a center for regional cooperation and windows in the Danube and Balkan region. It would then build a platform for regional programme cooperation, regional radio, film and TV festivals and other issues of importance to South East Europe.

2.3.5 DENMARK, GERMANY, AUSTRIA

Like in Serbia, both public and private broadcasters all over Europe contribute to individual and public opinion diversity. Most countries have addressed the obligations of public service broadcasters specifically so as to satisfy the democratic, political, social and cultural information needs in a comprehensive, impartial, pluralistic, balanced and objective manner at various levels: local, regional, national and European. The media are obliged to broadcast programmes on arts, news, entertainment, education and counseling (including consumer protection, medicine etc.). In Germany the obligations are described in § 11 (1) of the *German Inter-state Agreement on Broadcasting*, in §§ 30 and 31 of the *Austrian Private Television Act* and in Section 10 of the *Danish Radio and Television Broadcasting Act* (although the requirements in the Austrian and Danish acts seem less detailed than under German law). Public Program Offers cover radio and television in all countries. Unlike Serbia, some countries such as Germany also define Tele-media (online) services as public service. In Austria, such proposal has been included in

a draft law¹⁴. In order to qualify as public service, these services must be based on journalistic-editorial needs and be edited in a journalistic manner.¹⁵

The mission statements for public broadcasters as they appear under the law are slightly more detailed in Serbia than they are in other countries. However, in a country like Germany, the public broadcasters are required to report biannually to the broadcasting council on the implementation of the program guidelines.

From these three countries, inspiration can be gained for new media practices in Serbia such as that the broadcasters should publish the general principles of their programming and profiles at least annually in advance in order to make clear how they intend to meet the public service obligations and how this is reflected in the broadcast programme. In addition, this broadcast programme could be presented to an Advisory Programme Board as is the procedure in Germany. A German Programme Board can request changes and amendments without infringing upon editorial freedom. The draft broadcast programme along with the amendments requested by the Programming Board, should then be approved by the Broadcasting Council, which will determine whether the revised draft meets the public service obligation. If public financing is linked to public service obligations, this procedure may serve as a basis for establishing the required budget of the broadcaster. In Denmark the public broadcasters, Denmark's Radio and TV2 Denmark, are required to deliver an annual account of their public service broadcasting to document that they have fulfilled the public service obligations in their programmes.

Collection of license fees

Currently, public financing of public broadcasting is based on user contribution¹⁶, internationally often called license fees (in Serbia radio-television subscription according to the Broadcasting Law, Article 81), which is due

¹⁴ http://www.parlament.gv.at/PG/DE/XXIV/ME/ME_00115/imfname_171534.pdf.

¹⁵ They are further subject to a three criteria test which aims at justifying the budgeting of users' contributions (license fees) for these programs. Promoting media literacy within the meaning of the AVMS – Directive is also a policy goal for public broadcasters in many EU Member States.

¹⁶ The question whether contributions user license fees are indeed a means of state subsidy is still not clarified: Subsidy is any advantage which the state grants license fees to an entrepreneurial entity. The EU Commission holds that user fees are a state subsidy as the state mandates the collection by law (and in the case of Germany, the fees are collected by an entity with the status of a public authority, the GEZ). By contrast, the European Court of Justice (ECJ) has ruled in 2001 (Preussen Elektra case), that a state subsidy entails state control over those means, i.e. if the means flow directly from a state budget or are granted by state institutions. Thus, there is no clear answer whether license fees are state subsidies. However, the question of such fees has not yet been explicitly addressed by the ECJ.

In 2005, the EU Commission dealt with a complaint by an association of private broadcasters concerning the license fees in Germany (alleged lack of transparency in distribution, online offers of public broadcasters, selling of sports events). The Commission requested a clear definition of the concept of 'Comprehensive Coverage', separate accounting for commercial and public mission programming, and other measures to prevent cross subsidizing. Although the question whether license fees constitute a subsidy remain discussion to date The specific complaint was settled, as Germany made major concessions:

- The extent to which additional digital channels and online offers serve public the interest must be specified;
- In relation to online offers, there will be a 3-step test for new or modified services similar to the BBC's public value test, although less economically oriented:
 - Is the offer part of the public service
 - To which extent will the service contribute to the quality of publicist competition
 - Which financial burden does the service involve.
- The broadcaster launches a public hearing and decides on the basis of the comments and of independent expertise whether the three-criteria test is met.

when media consumers possess a receiver. The level of the contribution has been established by law and is indexed on an annual basis. RTS is entitled to receive the license fees and is obliged to redistribute the received amounts to RTV according to a fixed percentage.

In Denmark the level of license fees is determined by the Parliament and is agreed typically for a 4- year period. In Germany, legislation requires that user contribution must be the public broadcasters' primary source of revenue to ensure that their programming meet the public mission goals. The German system entitling public broadcasters to public funds and redistributing the collected money is different from the Serbian approach.

In Germany, the level of public contribution to broadcasters is determined after (i) each public broadcaster submits a budget of his financial needs and the costs of programming, transmission, new (digital) channels etc. based on a detailed programming concept; (ii) an independent expert commission evaluates the fit of the programming concept with the public service obligations without infringing on editorial decisions. This commission reports to the government biannually on changes in financial needs; (iii) the government determines the level of contribution after a hearing where broadcasters justify their budget. The revenues from user fees are distributed according to a key for public broadcasters who must all meet the public service standards regardless of their size. Thus, the revenues for very small public broadcasters within their own coverage area may not be sufficient to cover the cost.

In Croatia, The Fund for the Promotion of Diversity and Pluralism of Electronic Media created by the new *Law on Electronic Media* obliges the HRT (Croatian Radio-Television) to contribute 3% of its revenues generated from license fees to the Fund. This fund supports the production and broadcasting of electronic media content of public interest on local and regional levels, which is important for the right of citizens to public information, the rights of national minorities, the promotion of cultural creativity, and the development of education, science and art. The rules for distributing funds collected through this Fund have been adopted by the Croatian Council for Electronic Media in 2008.

In Germany, the invoicing and the collection of the user fees are carried out by an association ('GEZ') of public broadcasters which has been awarded public authority, and which acts on behalf of the public broadcasters entitled to the fees. Thus, it has the means of enforcing payment orders under public law in accordance with laws on enforcing administrative decisions. However, introducing this model for fee collection in Serbia would not necessarily increase the payments.

In Denmark every household that has the possibility to receive radio and television programmes through radio or TV sets, computers or mobile phones must pay a license fee, which is collected by the License Fee Office of the national public service broadcaster Denmark's Radio. Currently close to 95% of the households pay their license fee, but it is debated how to achieve 99%, which is the estimated figure of broadcast consumption. One proposal is to make the payment obligatory demanding applications from citizens who claim not to have access to media and want exemption.

Commercial broadcasters in Denmark, Austria and Germany

- The regulator decides whether the program is compatible with the standards of public service.

Subsequently, in 2008 there have been indications from the European Court of First Instance (CFI) that in principle, license fees are to be considered as state money, but that they would not be subject to the EU-wide state aid regime (national laws would apply).

TV2 Denmark has by far the largest part of the market for TV commercials in the country and is established with full public service broadcasting obligations identical to those given to Denmark's Radio. However, TV2 Denmark does not receive license fees or state subsidies and is fully dependent on its income derived from the sale of advertisements on its main and additional niche channels. TV2 was established as an independent non-profit legal entity but has been transformed to a stocks company owned by the state as preparation for a possible sale.

Through tenders following the beauty contests principles two private, commercial broadcasters have won the right to broadcast through cable network and satellite. With the recent implantation of digital broadcasting they have now been given access to terrestrial multiplexes. Private commercial channels have to comply with strict conditions concerning the amount of news, own production, European production etc.

Austria has in principle allowed the establishment of private, commercial broadcasters since 2002. In reality, only a regional Vienna based broadcaster has been established as an alternative to the national public service broadcaster. In other words, the main competitors to the national public service broadcaster, ORF, are the German and Swiss German broadcasters that distribute across their borders to Austria.

In Germany with 82 million inhabitants there are 3 national public service broadcasters including one formed by regional broadcasters and more than 10 private, commercial broadcasters which comply with relatively strict criteria for the quality and public interest of the content they must broadcast.

Compared with these 3 EU-Member States Serbia has adopted an ultraliberal policy. The allocation of a number of national frequencies to private, commercial broadcasters must be expected to result in cheap entertainment programmes and serious financial problems for the broadcasters.

Serbia's public service broadcasting cannot be compared with public broadcasting acting on "fertile" markets such as Germany, Austria and Denmark (ARD and ZDF in Germany have a revenue of total 8.300 million euro per year and employ 29.000 employees, ÖRF in Austria totals in revenue 848 million euro and employs 3.100 employees, and DR and TV2 in Denmark have total in yearly revenue 750 million euro and 4 000 employees)¹⁷ from the point of view of revenues – although, the number of RTS employees is comparable (3.200). In the long term Serbian public service broadcasting is unsustainable and is expected to be reduced like in most other broadcasters.

100 million Euros (the anticipated revenues for 2009 of the RTS top management – license fee collections plus commercial revenues) is the minimum amount, which allows for the survival of (acceptable) public service television and radio broadcasting (on two TV channels, plus radio broadcasting).

With this budget however, RTS is located at the bottom of public service televisions within the EBU.

A significant increase of advertising revenues to the public service broadcaster in a short-term or mid-term perspective is unlikely (see e.g. TV 2010 – Markets and Trends, Facts and Figures, Idate Consulting and Research 2010).

It is also necessary to ensure that increases in income from license fees are reflected directly in public service activities to maintain fair competition on the Serbian TV market. In accordance with the Amsterdam Protocol public service broadcasters shall not engage in activities that are not necessary for fulfilling the public service mission and which would result in disproportionate distortions of competition.

Whereas RTS income is at best expected to stagnate, RTS wage expenses must be expected to grow as a result of the growth in the general Serbian economy. These wage expenses to in-house employees as well as external independent audiovisual producers will constitute an additional economic burden for RTS.

¹⁷ Statistics of respective broadcasting corporations.

Public Service Broadcast Financing	License fees – advertisements	License fees applicable to radio and TV sets or all media	Collection
Denmark	Denmark's Radio solely license fees, TV 2 Denmark solely commercial revenue	All owners of radio and TV sets, computers and Mobile phones that can receive programmes	Denmark's Radio collects for itself and distributes to the TV2 regional TV stations, and to a fund for film and public service programme production
Germany	ARD and ZDF have mixed license fees and advertisement financing	Radio and TV sets, for each receiving equipment incl. mobile phone or PC ¹⁸	By company owned by the public broadcasters but with public authority
Austria	ORF has mixed license fees and advertisement financing	All broadcasting reception equipment in use or operational at a given location	By a company – GIS – owned by the ORF, acting as an agency of the Ministry of Finance ¹⁹

General characteristics and trends for the transitional media market

As indicated in the economic background, the Serbian advertising market is characterized by a high share of TV advertising, typical for post-communist countries with less developed media markets and the subsequent arrival of Internet media.

The share of TV advertising in total advertising expenditure in post-communist countries ranges from 50 to 80%, whereas it represented 47 % in the EU27 countries²⁰ in 2008 and in the USA 37%.

Serbian media experienced a significant drop of 22% in advertising revenue in 2009 which exceeded the average global drop of advertising revenue of 7.2%. TV advertisements in Serbia dropped 16% compared to a 0.2% fall in TV advertisement globally.

Serbian advertisement constitutes 0.5% of GDP; half of a "desired" value close to 1% of GDP such as is the current status of media markets in Germany, Denmark and Austria. For this reason the advertising market in Serbia is expected to grow despite the recent fall in 2009, exceeding the world average.

Post-communist countries, unlike the 'old' EU Member States, are characterized by the dominance of television advertising following the introduction of the "dual broadcasting system" (public and private broadcasting) but television advertising is losing its share of the advertising market, due to high quality broadband internet access and a general increase in the number of internet users. This makes online media thrive and their share of the online advertising grow accordingly.

The estimated economic capacity of the television market in Serbia based on the costs of countrywide operating TV stations on comparable markets (see tables below):

¹⁸ A "basis fee" is charged for radio/and or PC, resp. mobile phone, "TV fee" for a TV set (more in the chapter on Public Support of Media)

¹⁹ Responsible for licence administration in Austria is GIS - Gebühren Info Service GmbH, a 100% subsidiary of the Austrian Broadcasting Company (ORF), as well as an agency of the Ministry of Finance, see Annex 5.16

²⁰ excluding Malta

- Public service broadcaster with maximum 2 national full format TV channels and a revenue a bit over the anticipated RTS minimum budget of approx. 100 million euro budget. With a fully efficient collection of license fees it would also be possible for RTS to add niche channels as part of their public service obligations.
- Maximum 2 private national private channels including other potential derivatives such as thematic channels after the digitization of TV broadcasting (based on the revenues from the remaining market for TV advertising of 60 million euro in 2009 or 75 – 80 million Euros in 2008).

The following examples of revenues in the CME²¹ owned commercial TV channels in CEE countries provide a useful benchmark for comparison:

CME revenues on CEE markets		Year	
		2009	(2008)
Net Revenues	Market Share in 2009	mil. EUR	mil. EUR
Croatia	Nova TV, 22.3%	35.3	39.4
Czech Republic	TV Nova+Nova Cinema, together 44.0%	198.5	270.1
Romania	ProTV+Acasa+Pro Cinema+Sport.Ro.+MTV Romania, together 27.8%	127.0	197.6
Slovak Republic	TV Markíza, 32.2%	77.3	95.5
Slovenia	POP TV+Kanal A+TV Pika, together 38.3%	48.0	58.1

Source: CME

²¹ CME – Central-European Media Enterprises, Ronald Lauder’s “emporium”, one of the most significant players on the CEE TV market.

Examples of the TV advertising market in the CEE region provide another useful benchmark for comparison:

TV ADVERTISING MARKET – REGION OVERVIEW

Country	Population 2009 (in millions)	Per Capita GDP 2009 (thousand EUR)	Total Advertising Spending per capita 2009 (EUR)	Total Advertising Spending as % of GDP 2009	TV Advertising Spending per capita 2009 (EUR)	TV Advertising Spending as % of Total Advertising Spending 2009
Serbia	7.5	4.32	21.5	0.49%	12.7	59%
Bulgaria	7.5	4.48	25.61	0.57%	13.1	55%
Croatia	4.4	10.43	39.14	0.38%	21.1	54%
Czech Rep.	10.5	13.16	57.99	0.44%	24.9	43%
Romania	20.6	5.87	14.97	0.26%	9.5	63%
Slovakia	5.4	11.75	44.1	0.37%	21.6	49%
Slovenia	2.0	18.18	45.4	0.25%	28.4	63%

Source: Global Insight and CME estimates (Serbian data row added)

The European trend within public service broadcasting is:

- A decline of the market share of public TV on country level
- A continued fall in the share of advertising revenue
- An implementation of alternatives to classical TV public service programmes
- An expected continued decline in the share of advertisement revenue to finance broadcasting, making Pay-TV revenue the largest source of income for EU broadcasters in 2009 and globally in 2010.

The national public service broadcaster in almost all EU Member States is a dominant voice in the public sphere and a crucial transmitter of national cultural heritage. Yet it is important to allow more voices to be heard in the public debate. In a small market there are two sustainable ways to maintain a dual broadcaster structure with a pluralism of opinions. The number of frequencies that are licensed to commercial broadcasters could be limited and tendered on conditions that ensure programmes of a quality that goes well beyond cheap entertainment.

The alternative approach is to link public service to broadcasting of content, and in addition to RTS support public service programme projects on other broadcasters. A call for proposals could request projects for broadcasting public service programmes like investigative journalism, documentaries or fiction programmes and provide co-financing of these. With such a mechanism it would be important to define the criteria and the demands of these calls as precisely as possible allowing the RBA to monitor and ensure that these criteria are implemented.

In principle both approaches could be combined.

The cost to operate national radio stations on comparable markets demands minimum revenue of 2-3 million euro per year and the present large number of radio stations in Serbia is in our view unsustainable in a long term perspective. Economic conditions will encourage several radio stations to merge and network. Finally, considering relevant benchmarks, it is our estimation that no more than 5 to 8 relevant national/regional players are sustainable on the Serbian radio market.

Advertising, sponsoring and product placement rules

Serbia has one comprehensive law on advertising, while in Germany the advertising legislation specific to broadcasters or to print media are found in legislation concerning those specific sectors. Policy changes concerning advertisement legislation are not required. The comparison of provisions regarding the conditions for advertising for public broadcasters on the one side and for private broadcasters on the other side has revealed no fundamental differences between the main legal systems reviewed in Serbia when compared with EU-Member States. In principle, private broadcasters enjoy greater freedom to incorporate advertising time into their programs. However, it should be noted that German public television broadcasters are only allowed to broadcast advertising and teleshopping on national programs.

The AVMS Directive addresses sponsoring and product placement. Sponsoring is allowed subject to certain conditions while product placement is prohibited, but Member States can introduce exceptions subject to certain conditions.

With regard to product placement, the EU Member States have adopted different policies which do not sum up in a 'best practice' approach. This is due to the fact that Member States base their position on whether and to which extent they seek to support media production by third party investors who request to have their products displayed in a given production. In Germany for example, product placement is permitted in relation to cinema movies, serials, and sports and light entertainment. There are, however, restrictions on tobacco products etc., and product placement is not allowed in children's programmes. The same goes for Denmark, while Austria has just proposed such a solution in a draft law. Member states seem to have based their positions on this issue on ulterior motives like investment and employment policy considerations.

Sponsoring is permissible in general if editorial freedom is not infringed upon but the display of event sponsor logos is highly restricted. Sponsoring by tobacco companies is illegal, and often sponsorship of programmes dealing with markets of interest to for the sponsoring organization is prohibited.

2.4 REGULATORY BODIES – RBA, RATEL, PRESS COUNCIL

2.4.1 EU ACQUIS

With the establishment of the Republican Broadcasting Agency according to the *Law on Broadcasting*, Serbia formally complies with the *EU Acquis*, because the *AVMS Directive* requires that each Member State ensures the **independence** of the national regulatory body responsible for implementing that Directive. The main reason for this requirement is to safeguard the principle of pluralism.

2.4.2 COE STANDARDS

The Council of Europe's *Indicators for Media in a Democracy Recommendation 1848 (2008)* states that „8.15. Regulatory authorities for the broadcasting media must function in an unbiased and effective manner, for instance when granting licenses. Print media and Internet-based media should not be required to hold a state license which goes beyond a mere business or tax registration“; its sections 8.25 and 8.26 state that „There should be a system of media self-regulation including a right of reply and correction or voluntary apologies by journalists. Media should set up their own self-regulatory bodies, such as complaints commissions or ombudspersons, and decisions by such bodies should be implemented. These measures should be recognized legally by the courts.“

The conclusions of the *Regional Seminar on the Program-monitoring Functions of National Regulatory Authorities* 3-4 October 2003 emphasized that broadcasting regulatory authorities should have adequate and proportionate authority to ensure access to networks and services, set standards, promote quality and ensure a sustainable, technologically up-to-date industry. Regulatory authorities should be closely involved in the development and implementation of national audiovisual and broadcasting policies and legislation.

Press Councils are implemented standards in EU and the newly established Press Council in Serbia will be discussed later in the chapter.

2.4.3 ECONOMIC BACKGROUND

There are two types of fee, broadcasters in Serbia are due to pay – the radio station fee (radio frequency use fee) to RATEL and broadcasting fee to RBA. Both of the bodies are covering their operational expenses by a split of these fees.

Public service broadcasting institutions of the Republic of Serbia and the autonomous provinces, radio and television stations of local and regional communities, which are wholly state-owned, and civil sector radio and television stations shall pay only the radio station fee (radio frequency use fee) and shall be exempt from paying the broadcasting fee.²²

²² Exemption from the Obligation to Pay the Broadcasting Fee, Article 67 of the Broadcasting Act

The radio and television stations of local and regional communities, which are partly privately owned, pay part of the broadcasting fee proportionate to the share of private capital.

RATEL sets formulas for calculating fees for:

- a) radio frequency usage;
- b) radio stations in broadcasting services;
- c) mobile and fixed services;
- d) public services;
- e) satellite services; and for
- f) other radio stations.

The following criteria are taken into account when calculating fees:

- a) number of inhabitants in the service area;
- b) level of development of the area covered by the service area of the radio network;
- c) signal type; and
- d) mode of radio-frequency usage.

According to the report of RATEL for 2008 (An Overview on Telecom Market in the Republic of Serbia in 2008): During 2008 RATEL's total revenues amounted to approximately 1 237 million dinars, and the total expenditures were 556 million dinars. Pursuant to Article 18, paragraph 8 of the Law, the surplus of 681 million dinars was paid into the Treasury of the Republic of Serbia and the Autonomous Province of Vojvodina, in the amount of 669 million dinars and 12 million dinars respectively, once the financial reports had been audited. Until 2010 the fees for frequency allocation and broadcasting license exceeded the actual costs.

The fee paid by every broadcaster for frequency allocation and use is supposed to cover the administrative costs of RBA and RATEL including the monitoring of spectrum usage. The RBA administration estimates that a reduction in license fees in 2010 would result in an overall reduction in income of approximately 5 million Euros. Apart from RATEL's annual report the study team has not had access to detailed and verifiable information concerning the costs and break down of fees for frequency and broadcast licenses.

The newly established Press Council has in the process been financially supported by the Ministry of Culture and the Norwegian financial mechanism. As this is an independent professional gathering of stakeholders, the financing of running costs will not be covered by any systematic direct state funding.

More on financial details in the subchapters of respective councils.

2.4.4 STAKEHOLDER BACKGROUND

Three institutions form the nucleus of the Serbian regulatory bodies – namely the Republican Broadcasting Agency (RBA), the Republican Agency for Telecommunications (RATEL) and the newly established self regulatory Press Council.

The Republican Broadcasting Agency – RBA

The Republican Broadcasting Agency (RBA) is established as an independent regulatory body by the *Broadcasting Law*. It is headed by an Agency Council consisting of 9 members from different areas of societal life. The board takes most of the relevant decisions itself. However, the administration appears to be heavily involved in preparing decisions controlling the provision of formalities in received applications. The RBA's competencies and responsibilities include the following:

- Passing the broadcasting development strategy;
- The consistent application of the *Media Law*;
- Licensing of broadcasters;
- Setting conditions for the broadcasting of programs (as specified in the *Broadcasting Law*);
- Prescribing rules to ensure the implementation of the national broadcasting strategy;
- Supervising broadcasters;
- Handling complaints;
- Advising state bodies in relation to accession of international conventions on broadcasting;
- Imposing sanctions on broadcasters where required;
- Performing other duties under the *Broadcasting Law*;
- Taking measures to protect minors;
- Enforcing copyright regulation;
- Taking actions against programs which incite discrimination, hatred etc.

The RBA has been implementing a policy according to which it allocated all available frequencies. This resulted in a large number of broadcasters. Views have been expressed that – contrary to what it appears to assume – the RBA was not obliged to allocate all available spectrum to broadcasters.

In 2006 when almost all licenses for broadcasting were allocated the RBA was strongly criticized for having published the criteria for assessing license applications after the application deadline. Also it was accused of not taking into consideration the quality of the programming for the individual applicants.²³

²³ http://www.osce.org/documents/srb/2006/05/20006_en.pdf read 12.4.10. Jakubowicz, Karol LEGAL OPINION concerning the Decisions of the Republican Broadcasting Agency Council of Serbia, on the allocation of broadcasting licenses for Radio and Television stations for the territory of the Republic and for the territory of the Autonomous Province.

The 2009 EC Progress report says that progress was made in 2009 in terms of the transparency and accountability of the activities of the Republican Broadcasting Agency; However, it also states that a small number of cases, in particular those relating to media using minority languages, the decisions have proved controversial and procedural irregularities were raised. A significant number of the stakeholders interviewed for this report pointed to unclear procedures in the RBA's allocation of frequencies. See e.g. IREX Media Sustainability Index 2010²⁴.

The 2009 EC Progress Report states that political interference in the work of media has continued, while some media has continued breaching the rules on protection of privacy and ethics.

In August 2009 amendments to *Law on Public Information* were adopted, and both the government and parliament were criticised over the lack of transparency and lack of public consultation prior to the adoption of the amendments. Later some of the provisions have been changed.

The RBA is in charge of adopting recommendations, and regulations of broadcasters to ensure efficient implementation of the broadcasting policy. This competence is specified in the *Broadcasting Law*. However, it appears that the RBA has not yet issued detailed programming standards that broadcasters must follow. The RBA administration has developed draft procedural regulation for cable operations. It is, however, a matter of dispute whether such 'procedural rules' fall within the RBA's competence and whether the RBA has proposed the appropriate measures.

When organizing broadcasting licensing competitions, the RBA determines certain programming and technical criteria which the contenders must fulfill. During the evaluation process, the RBA administration reviews whether applicants meet these criteria and reports to the council. However, interviewees repeatedly claim that, the criteria used to evaluate the applications are not transparent and clearly defined. The Council, which makes the final decisions, has a large margin of discretion, which is hardly judicable.

RBA does seem not to have played a key role in the preparation of sector specific regulations, in media strategy development or in media policy. The RBA administration does not seem to have a proactive role in relation to developing such regulations or to involve proactively in commenting on draft law initiatives. Similarly, there seems to be no decision making committees within the council which is detrimental to the efficiency of RBA operations.

Republican Agency for Telecommunications – RATEL

The Republican Agency for Telecommunications (RATEL) is established as an independent regulatory body in charge of regulating telecommunications networks and services. It is headed by a management board which takes most of the relevant decisions itself. Apparently sub-committees or administrative bodies do not take decisions concerning specific issues. The following RATEL competencies are of particular relevance to media:

- Allocation of frequencies,
- Monitoring of frequency use,
- Analysis of the available frequencies,
- Monitoring of the technical capacity, mapping etc.,

²⁴ IREX MSI 2010 http://www.irex.org/programs/msi_eur/2010/EE_MSI_2010_Serbia.pdf - read 1.6.2010.

- Provision of information of RBA about all free and available frequencies and allocation of spectrum in the context of awarding broadcasting licenses,
- In the future (following the adoption of a revised law on electronic communications): No more licensing of infrastructure operations (cable), but potentially the regulation of broadcasting transmission markets and other electronic communications services (e.g. wholesale broadband access) where there is market failure (i.e. significant market power/dominance).

The study team was only provided with rather general information but had no access to details on digitization, frequency fees and future regulatory environment for electronic communication.

RATEL left the study team with an impression that the division of responsibilities and competencies between RATEL and the RBA is not ultimately clarified, in particular in the field of implementing the Serbian Strategy for switching from analogue to digital broadcasting of radio and television programs.

Convergence issues

'Convergence' between the RBA and RATEL is thus far limited to cooperation concerning spectrum allocation for broadcasting. According to *Article 58 of the Telecommunications Law*, RATEL shall manage the frequencies, conduct the technical survey of broadcasting equipment and keep records of relevant data in radio communications. The allocation plan is to be passed by the Government and the assignment plan by the Ministry for Telecommunications, according to proposals made by RATEL.

A "one-stop shopping" at the counter of the RBA is provided. The RBA should issue invitations to tender for broadcasting licenses based upon the assignment plan created together with the Agency for Telecommunications concerning frequencies assigned for terrestrial radio and TV. Upon completion of the tender, the RBA attaches the transmitters / radio station license as a part of the overall license. Following an internal evaluation, the RBA requests the issuance of a transmitter / radio station from RATEL in accordance with the above-mentioned plan for procedure.

Press Council

The Press Council's code of conduct is not very well known by the media. The existence of the Press Council is hardly known to the public. One major impediment to the functioning of the Press Council is its lack of funding from the media but the cooperation among the participating media and journalist associations could also be improved.

The Press Council was established in the spring of 2010. The ethical codes of conduct from UNS and NUNS were merged and this provides the basis for the work of the council. Activities have not yet been implemented, and the Council is still in the process of preparing its work with the assistance of the Norwegian Press Council.

2.4.5 DENMARK, GERMANY, AUSTRIA

2.4.5.1 BROADCASTING AND ELECTRONIC COMMUNICATIONS REGULATORY AUTHORITIES

Germany

In Germany, each of the regions (Länder) has its own broadcasting regulatory agency. All agencies are structured in similar ways:

The regulatory agency is represented by a director who carries out the decisions of the Council. The Council is composed of representatives from the most relevant societal groups. It takes the decisions in plenary session, but several sub-committees are responsible for the presentation of topics and decisions. In addition, administrative departments for legal, technical, monitoring, finance, committees' secretariat and other issues support the Council by providing their expertise.

In addition to the competences which are also held by Serbia's RBA, most agencies have the following complementary competencies:

- To promote media literacy;
- To review retransmission on cable networks and to determine the programming on a certain number of channels on cable networks;
- To commission media research projects;
- To promote necessary technical infrastructures to ensure comprehensive coverage of the country;
- To award quality labels to specific broadcasts and specific formats.

One measure to ensure the independence of the regulatory agency from state influence is that it is financed by license fees collected from media consumers rather than through fees on the frequencies.

Austria

The Austrian *Communications Authority* (KommAustria) was established to regulate broadcasting activities. KommAustria assumed the responsibilities of the former private broadcasting authority and the Regional Radio Act Commission (which also served as the Cable and Satellite Act Commission). In addition, KommAustria is responsible for the administration of broadcasting frequencies and for applying the general competition law (Austrian Competition Act) to the media sector. KommAustria has also been responsible for administering the Austrian federal government's subsidies to media and to journalism. Finally, KommAustria acts as the supervisory authority for collecting societies.

The Austrian *Regulatory Authority for Broadcasting and Telecommunications* (RTR) constitutes KommAustria's operational arm and provides administrative support. RTR provides information, conducts reviews and makes decisions in a competent, independent, transparent, and expedient manner.

For KommAustria, RTR manages the Digital Platform Austria working group, assists with the management of broadcasting frequency, legal supervision and advertising monitoring, and supports the authority in procedures carried out under *Broadcasting Law*. In providing operational support for the Telekom-Control Commission, RTR's various teams are responsible amongst other things for frequency allocation procedures and competition regulation. The Austrian federal government owns 100 percent of the shares in RTR which are administered by the Federal Chancellery and the Federal Ministry of Transport, Innovation and Technology. KommAustria is an individually empowered government authority which is subordinate to the Austrian Federal Chancellery.

The Broadcasting Advisory Board was set up as an advisory body for KommAustria and consists of six voluntary members. The board is to be consulted before licenses are issued and programming changes are approved.

The Federal Communications Senate (BKS) was set up as an appeals authority within the Austrian Federal Chancellery in order to review KommAustria's decisions in matters related to broadcasting regulation. In addition, the BKS is responsible for legal supervision of the Austrian Broadcasting Corporation (ORF) and for first-instance decisions under the Act on Exclusive Television Rights (Fernseh-Exklusivrechtgesetz, or FERG). The five members of the Federal Communications Board, three of whom have to be judges, are independent in their official activities (cf. §12 par. 1 KommAustria Act; a "panel authority with the powers of a court").

Denmark

In Denmark the Radio and Television Board, the RTB, is the independent regulatory authority in charge of supervising the implementation of the Danish broadcasting legislation. The RTB has the following tasks:

- To issue licenses to private national and local broadcasters,
- To monitor whether private and public broadcasters are fulfilling their legal obligations,
- To administer the grants for non-commercial local radio and television.

The RTB consists of eight members that together represent expertise in legal, financial/administrative, business and media/cultural affairs. The Minister for Culture appoints the members for four years- but reappointments are possible. The decisions of the RTB cannot be appealed to the Ministry.

Convergence Issues

In the EU, converged regulators can be found in Finland, Italy and the United Kingdom. The Austrian regulatory bodies appear to be under one roof, sharing an administrative structure. The rationale for establishing a converged regulator is that a converged regulator is better suited to act in a context where distinctions between services and network platforms are increasingly blurred, where competencies for content regulation are vague and where jurisdiction in relation to converging media is unclear.

In theory, it may be unclear which of the Serbian agencies is responsible for regulation of providers of IPTV services, depending on whether the service is 'linear' or 'non-linear' within the meaning of the AVMS Directive²⁵. However, such jurisdictional issues can be clearly addressed by law and conflicts of competencies can be avoided²⁶.

²⁵ Refer to Annex 5.2

²⁶ The study team notes that under the current version of the Serbian telecommunications law, there are licensing requirements for internet services providers. ISP providers might be required to obtain such a license depending on the nature of the service. However, the new draft law

Moreover, most OECD countries still maintain a system of separate regulators for broadcasting and for electronic communications²⁷. There is no clear 'best practice trend' in EU member countries favouring a specific model for a converged regulatory body for electronic communications and broadcasting and / or content regulation.

Co-regulation Issues²⁸

Co-regulation involves the following concept: While statutory law target high-level objectives, they leave the details of implementation either to so called "soft law" or to co-regulation and self-regulation. Stakeholders play a strong role in both co-regulation and self-regulation. Public authorities set the objectives according to *Statutory Law* and entrust stakeholders directly involved with implementing the means to reach these objectives. In co-regulation, public authorities also indicate that they reserve the right to intervene if the self-regulatory measures do not achieve the set objectives.

In Austria and in a number of other EU countries²⁹, it is still unclear whether co-regulatory schemes will be established.

In Cyprus, France, Lithuania, Luxembourg, co-regulation is unlikely to be implemented.

Co-regulatory elements are already present or are likely to be introduced in the following countries: Belgium (CSA & VRM), Catalonia, Czech Republic, Germany, Ireland, Latvia, Netherlands, Romania, Slovenia and Slovakia.

Where co-regulating exists or is envisaged, the following forms of co-regulation can be identified:

- In the Czech Republic: co-operation with Czech self-regulatory bodies which are not defined precisely.
- Facilitation of agreement among various broadcasting services providers to ensure adequate delimitation of the compliance with obligations and duties regarding content (*Article 78 of the Catalan Broadcasting Act*).
- In Romania: the National Audiovisual Council has concluded agreements with associations such as the Romanian Advertising Council Union to monitor regulations concerning advertising the National Audiovisual Council has entered agreements with the Authority for Consumers Protection to identify unfair commercial practices and with the Journalists' Association in Romania to implement deontological rules in the audiovisual domain.
- In the UK: the Advertising Standards Authority is expected to manage day to day regulation for VOD advertising content and investigate complaints, referring repeated or serious violations to Ofcom to consider regulatory measures. Ofcom is to receive an annual report on the number of complaints received, how many cases of advertising these involved and how complaints were handled / resolved. Further, a co-

on telecommunications will no longer include licensing requirements, as it seeks to implement the EU 2002/2009 regulatory framework which provides for a general authorization.

²⁷ OECD, *Policy Considerations for Audio-Visual Content Distribution in a Multiplatform Environment*, DSTI/ICCP/TISP(2006)3/FINAL, Jan. 12, 2007.

²⁸ For sources and further details, please refer to http://www.epra.org/content/english/press/papers/Dresden/Overview_transpositionAVMS_Dresden_final_final.pdf

²⁹ Italy, Poland, Portugal.

regulatory system is suggested, with the Association for Television On Demand made responsible for editorial VOD editorial content. This association is to draft and publish a set of enforcement and sanctions procedures and to adjudicate on complaints.

- In Ireland: non-linear service will be required to establish their own regulatory structure and devise their own codes. The national regulator will have to sign off on these codes.
- In Slovenia: the new law is expected to provide the regulator with the legal basis to develop and introduce co-regulatory mechanisms in the field of TV advertising and protection of minors and eventually also in the field of non-linear AVMS.

Areas of expected co-regulation include:

- Advertising (UK, Slovenia, Slovakia, Romania)
- Media literacy (Belgium VRM)
- Protection of minors (Netherlands, Norway, Slovenia, Germany)
- Non-linear services (Ireland, Slovenia, the UK, NL)
- Codes of conduct including HFSS food (Latvia)
- Sanctions: The Slovak regulatory body CBR has the possibility to take into account an eventual sanction imposed by the self-regulation body.

2.4.5.2 PRESS COUNCIL

Austria

The Austrian Press Council was an association for self-regulation of the print media on the basis of a code of honour. It was founded in 1961 by the association of newspaper editors and by the Journalists' Union. It was the mission of the Press Council to handle complaints concerning its members' publications. Complaints could be dismissed if the publication in question (severely) infringed the professional duties of the press, or that it was detrimental to the reputation of the press. Members printed the emblem of the Press Council on their publications and were thus obliged to publish the Press Council's findings regarding a complaint on their work.

One major (tabloid) daily with 40% coverage did not participate in the Press Council weakening the Press Council's authority and conflicts amongst the other members arose. The Association of editors increasingly criticized the influence of the trade unions within the organization and claimed that only newspapers should assess journalistic work. Members of the editors' association opted out which further weakened the role and authority of the Press Council. Ultimately, the editors' association quit membership in the Press Council which consequently lost authority. Basically, there is no press regulatory body in Austria today.

Germany

The German Press Council was founded in 1956 and was modeled after the British Press council. Its members are editors' associations and journalists' associations. It is today organized as an association whose main duty is to intervene and to defend the freedom of the press and whose decisions (sanctions) are taken by a 'plenary body'. The Press Council was founded to prevent state legislation on a Press Council.

The Press Council operates on the basis of a self-imposed Code of Honor which is updated regularly and now also covers electronic media; by tradition, a copy of the Code is submitted to the German President. Complaints about infringements of the code of honour can be filed by anyone. The Press Council can issue advice, a statement of disapproval (which does not need publication), and a public statement of disapproval. In summary, effective self-

regulation has prevented the adoption of further state measures. In addition, the Press Council has played a proactive role in political discussion on media concentration and other issues which impact on press operations. Currently, the adoption of a special 'online codex' is being considered. The Press Council's budget is about 700.000 Euros per year out of which 180.000 come from a grant scheme from the government.

Denmark

The original Danish Press Council was established voluntarily in 1964 by the association of Danish print media to observe compliance with their Code of Ethics.

The Parliament adopted the *Media Liability Act* in 1991 (no. 348) and the appointment of the Press Council followed in 1992. As a complaints authority, the Press Council consists of a chairman and deputy chairman to be appointed upon recommendation by the President of the Supreme Court, two members are appointed upon recommendation by the Danish Journalists' Union, two members are appointed to represent the editorial managements upon recommendation by the media, and two members are appointed as public representatives upon recommendation by the Danish Council for Adult Education.

The Secretariat consists of 2 media lawyers preparing the monthly meetings for the Council members. The annual budget is approximately 200.000 euro, financed equally by the public service broadcasters and the association of Danish Newspapers.

2.5 DIGITALIZATION

2.5.1 EU ACQUIS

The switch from analogue to digital broadcasting has been initiated by EU to make frequencies available for other digital services. By digitalising television transmission Serbia gains access to 32 frequencies of same quality as the present 8 national frequencies used today, a point which is elaborated further in this chapter. The future additional services making use of the frequencies that have been made available are termed the Digital Dividend. The Digital Dividend is estimated to present a value of 250 billion euros a year and will be a significant contribution to competitiveness and growth if new and innovative services are introduced³⁰.

To maximise the dividend and to regulate the Information Society the *EU Acquis* has developed several policies, decisions, directives and recommendations set forth in *Regulating the Market, Stimulating the Information Society and Exploiting the Benefits* (See Annex 5.6).

A number of activities and support programmes are introduced to maximize the Digital dividend in education & training, public administration and of course within the European cultural industries.

Relevant to the *cultural industries* is particularly the *MEDIA 2007 programme* which aims to strengthen the competitiveness of the European audiovisual industry and includes a series of pilot projects to account for rapid technological changes. In practice all EU-programmes financing activities in the media and audiovisual fields demand cross border cooperation and involvement of parties from different countries in order to qualify for grants.³¹

2.5.2 COE STANDARDS

The transition to digital broadcasting will have significant influence on the TV market. It will have clear implications for the media landscape and require firm political decisions by the Serbian government.

Experience from other countries proves that the switch from analogue to digital television will result in a larger number of TV outlets at national level because of its additional frequencies. However, this will not necessarily mean increased diversity in terms of broadcaster ownership.

As early as 2003, the Committee of Ministers of the Council of Europe adopted a *Recommendation Rec(2003)9 on Measures to Promote the Democratic and Social Contribution of Digital Broadcasting*. In this document, the

³⁰ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 13 November 2007 - Reaping the full benefits of the digital dividend in Europe: A common approach to the use of the spectrum released by the digital switchover [COM(2007) 700 final - Not published in the Official Journal]. http://europa.eu/legislation_summaries/information_society/124114_en.htm Read 30.4.2010.

³¹ The EU Acquis is very well developed in the area of the Information Society and the Digital Dividend expected to follow the digitalization of television frequencies. Policies, Decisions, Directives, Recommendations, Activities and Implemented projects are described systematically and in detail at Europe's Information Society Thematic Portal – read on 26.4.2010: http://ec.europa.eu/information_society/policy/ecomm/radio_spectrum/documents/legislation/index_en.htm#recom

Committee appreciates that digital technology opens new possibilities in the field of communication, which may have a certain impact on the audiovisual landscape, and the public and private broadcasters. However, it stresses that the digital technology also presents risks.

The COE recommendations suggest the creation of adequate legal and economic conditions to guarantee the diversity of broadcasting services and public access to an increased variety of quality programmes, including the availability of transfrontier services. Further, it is recommended to protect and, if necessary, implement measures to safeguard and promote media pluralism, as a counter measure to the increasing concentration in this sector. In 2003 the COE also encourages implementation of a scheme for adequate information on and training in the use of digital equipment and new services.

The digital system also offers new possibilities for two-way communication, High Definition television, new telecommunications services and better services to the citizens. A fully fledged digital system will offer possibilities for services allowing people to watch a television programme whenever they want to. From the broadcasters' point of view it offers the possibility for commercial television to open new pay TV channels where the consumers have to pay for watching a film, a specialized programme or for having a decoder to a coded channel. Other broadcasters broadcasting free to air are allowed to distribute their programming across 2 - 3 channels in the hope of gaining a larger total audience and attracting more revenue from the selling of advertisement time. In 2008, The Committee of Ministers adopted a Declaration on the allocation and management of the digital dividend and the public interest (February 20th 2008).

For the public service broadcasting system the new technology provides new ways to serve the public with many more channels than today³².

2.5.3 ECONOMIC BACKGROUND

The Regional Conference on Radio Communications of the International Telecommunication Union (ITU) held in June 2006 in Geneva (ITU RRC06), agreed that the introduction of digital broadcasting and stop of analogue television in Europe, Africa and part of Asia should be completed by June 17th, 2015. The Serbian Government on its meeting 2.7. 2009 committed to implement the switch from analogue to digital terrestrial transmission by April 2012. A working group with the Ministry of Telecommunications and Information Society, the Ministry of Culture, RATEL-BM and RBA was established in October 2008 to prepare the Strategy and Action Plan for the transition from analogue to digital broadcasting of radio and television programs in the Republic of Serbia.³³ The fact that the Ministry for Telecommunications and Information Society of the Republic of Serbia (MTIS) has outlined its Digital Switchover Strategy for Serbian terrestrial radio and television broadcasting, which was adopted by the Government of the Republic of Serbia on the 2nd of July 2009 was assessed as a positive step in the Progress report for 2009.

³² It will be possible to have interactive educational programmes to contribute to lifelong learning programmes. A number of other specialized channels will with the digitalization open possibility for e.g. children provide regional quality programmes, a channel with programmes from the archive or a 24-hour news channel. Also a separate channel for parliamentary sessions, employment services, business programmes etc would be possible. See e.g. Dr. Karol Jakubowicz, *Public service broadcasting: a new beginning, or the beginning of the end?*, exploring some of the potential for public service broadcasting in a digitalized environment.

³³ Website of the Ministry of Telecommunications and Information Society, http://www.mtid.gov.rs/digitalizacija/digitalizacija/proces_donosenja_strategije_za_prelazak_sa_analognog_na_digitalno_emitovanje_radio_i_televizijskog_programa_u_republici_srbiji.587.html - read 26.4.2010

As described in the needs assessment in chapter 1, the Serbian media market is strained by the economic crisis. With a relatively low GNP per capita the actual public and private investments in the digitalization will be significant. The Ministry of Telecommunications and Information Society has with IREX analyzed the costs. It has not, however, during the mission been possible to gain access to the final results.

For the Serbian national broadcasters and for the RBA the introduction of digital terrestrial broadcasting in itself does not change much. Technically, it would in theory be possible to introduce numerous new television channels, but economically it would hardly be feasible and politically it would still be desirable to ensure a much better sustainability and programme quality in the media.

The need for tightened procedures for frequency allocations and clear demands to the content must be made explicit to ensure that programmes will be of public interest and stimulate the public debate. In other words the important choices and demands to RBA under the current analogue system will remain after digitalization. However, digitalization changes the situation for the consumer who will need to have new television sets prepared for new digital standards or have STB (set top boxes) for their television set converting the received digital signals into analogue sound and pictures.

The Ministry of Telecommunications has decided to use the most modern system DVB-T2, which provides better quality and functions than the older DVB-T system. However, the top sets for the new system are also significantly more expensive. Support from the state to consumers might help securing a smooth transition. The costs of establishing the new broadcasting system are significant, as are also the expenses for the broadcasters who must change to digital transmission. A pilot project is starting this year financed under EU's IPA 2010 programme with a budget of 10,5 million will include DVB-T2 broadcasting equipment and institutional support to the Ministry of Telecommunication and Information Society and the working group for the digitalization.

Basically, transmission towers that were bombed in 1999 or are old and outdated will have to be rebuilt, and new transmission equipment and antennae have to be installed for the multiplexes. The present approximately 16 UHF transmitters covering the entire country must be converted to digital broadcasting. Depending on the exact technical calculations and the politically desired number of transmitters, each of them could function as a broadcasting region in television terms. Besides re-transmitting the national signals they can transmit regional programming in one or two or three of the bands in a multiplex.

It may even be technically possible to establish a number of local television broadcasters, but the relative expense for digital multiplexes and encoding systems at the local level is likely to be prohibitive. We do however not have economic calculations to clarify this issue. The Council of Europe underlined in the appendix to the Council of Ministers *Recommendations Rec(2003)9 on Measures to Promote the Democratic and Social Contribution of Digital Broadcasting* the importance of ensuring that non-profit and regional/local broadcasters are given particular attention through adequate technical legal and economic conditions. As such, it supports the recommendations in chapter 2.1 for the Serbian government to allow different local content providers in the same region to establish associations sharing a band and a quality based programme schedule in a regional multiplex.

Compared to many other countries Serbia is privileged with a high number of national frequencies for terrestrial broadcasting. Technically, each analogue UHF-frequency will provide space for a multiplex that can carry 2-6 frequencies dependent on the desired quality of the signal and the type of multiplex. Instead of the current 8 national analogue frequencies it would theoretically be possible to have 32 national broadcasters in the same quality as those broadcasting today. The challenge for broadcasters is to produce enough programmes of the same or higher quality than today for more than one channel.

When video recorders were introduced on the market the consumers were expected to record the programmes they wanted to see and watch them when they pleased. However, the traditional linear or flow channels continued to attract the same audience despite the video recorders. This experience is almost repeated in countries that have digitalized their television market. The decrease in viewing of traditional channels has been very limited, but general viewing time has increased due to increased consumption of niche channels and pay television that will become a dominant source of income with the possibility for more programme channels.

As discussed in chapter 2.2 and 2.6, it is difficult to imagine that the market in Serbia can accommodate more national broadcasters than RTS and a couple of commercial broadcasters as suggested in chapter 2.2. What is likely, however, is that RTS would spread its programming from the present two channels to maybe 4, 5 or 6 digital channels in the future. Likewise a commercial broadcaster would be likely to expand its programming to more channels.

2.5.4 STAKEHOLDER BACKGROUND

The Ministry of Telecommunications and Information Society expects that 3 or most probably 2 multiplexes will be introduced. One would be for national channels with the possibility for regional inserts and one would carry local broadcasters. According to the Republic Telecommunications Agency (RATEL), the working group has not yet decided on what solution to choose. There are no plans for radio broadcasting. RATEL is convinced that Serbia will not make a decision in the near future, and the radios can continue with analogue broadcasting, distribution via cable or internet distribution. The position of television broadcasters with valid licenses for analogue broadcasting after April 2012 is also unclear.

The transmission systems have been transferred from RTS to a separate public company. However, before 2012 the company has to complete significant tasks. Several towers have to be rebuilt after the 1999-bombings, new digital equipment has to be procured, installed and tested before the digital switch can take place. According to the EU Delegation to Serbia the needs assessment for the switch over has just been finished for the purposes of launching the tender procedure. The position of television broadcasters with valid licenses for analogue broadcast after April 2012 remains unclear. RATEL expresses concern about a timely implementation of the *Strategy and Action Plan for the Transition from Analogue to Digital Broadcast of TV Programmes*, while the Ministry of Culture is confident that the strategy will be implemented in an efficient and coordinated effort.

If a national media strategy demands amendments to the Broadcasting and Telecommunications Laws in areas such as broadcast structures, allocation of frequencies etc. the amendments must be in place in order to pass the legislation and implement the final decisions in the digitalization process. As an example the definition of anticipated regional broadcasting regions is directly interrelated with the number and placement of transmission towers. The organizational structure of regional broadcasters as recommended in this study will undoubtedly demand legislative changes, and this process must take place before digitalization. These steps are however realistic to achieve well ahead of the date for the digital switch.

The situation on the TV cable market

In the future also cables will continue to be used for distribution of TV signals. The cable TV network is fairly developed in major cities. In Belgrade for example approx. 70% households are cabled, but in small cities and in the countryside the penetration decreases. According to the *Draft Electronic Communications Strategy*, page 23, there were 79 registered cable operators in Serbia in 2008, the majority of which distribute analogue. According to information from providers of TV service and from RATEL, only new cable providers such as SBB distribute digital signals unlike in many other countries. The only exceptions are long distance fiber connections; for carriage on these connections, signals are converted into digital and re-converted into analogue. The content providers pay the cable operators for access to a given area with programmes. Thus, cable operators in most cases charge the broadcasters for broadcasting and retransmission and charge fees from their subscribers (the end-user).

Serbia's largest cable operator SBB (Serbia Broadband) has more than 500.000 subscribers to analogue and digital TV broadcasting as well as broadband internet (SBB made its video service digital last year). In addition, it operates a unique regional TV satellite platform TV TOTAL covering 6 countries in the region. SBB offers direct-to-home (DTH) satellite television services, analogue programme cable and digital (D3) cable programme offer. The program spectrum has been amended recently by a package of HD channels available to digital subscribers to the D3 service. Monthly payment for the most extensive package of digital D3 services including HD channels is 2.450 Dinars (approx. 24 EUR), starting from 0 for the very basic packet. SBB is offering services to end-users (households), companies (corporate networks) and to broadcasters (licensed by RBA and authorized by RATEL) as well on advanced technological level, featuring fiber-optics and FTTH.

2.5.5 DENMARK, GERMANY, AUSTRIA

The three selected Member States Germany, Austria and Denmark have switched from analogue to digital television in 2003, 2007 and 2009 respectively.

In all three countries the public service broadcasters have been given priority with a number of national channels for immediate use and additional channels reserved for future needs of the public broadcasters. The remaining multiplexes – in Denmark e.g. four – have been tendered to a Gate Keeper, following the principles of a beauty contest. The Gate Keeper is responsible for selling on commercial conditions the technical facilities of the multiplexes to content providers as well as to the consumers that typically receive the television through digital cable networks. The Gate Keeper is obliged to reserve parts of the digital network for various telecommunication services and has been chosen because of the diversity and quality of the content and services it offered in the tender. In all three countries the demands to the Gate Keeper has included demands for either regional programmes or programmes serving the public interest.

The three EU-Members all protect the position of the public service broadcaster after the transition to digital transmission. The national public service broadcaster and public service regional broadcasters all have "must carry" status that ensures that every cable network must let the defined public service channels take up space in the network. The "must carry" status is described in detail in chapter 2.5.

For Serbia it is anticipated in chapter 2.2 and 2.3 that RBA in the future will establish stricter conditions for the programme content to those media outlets applying for space in the terrestrial digital broadcasting system. This will automatically reduce the number of channels and is expected to raise the quality and amount of programmes of public interest.

In Germany, the re-distribution of the 'digital dividend' is being implemented with a recent auction process for 800 MHz spectrum to mobile operators. The start of the auction was (unsuccessfully) challenged by cable operators on technical grounds, alleging major interference problems. The auction process is still ongoing.

All EU Member States have a legal obligation to implement the *Audio Visual Media Services Directive*³⁴ (See also Annex 5.2). The directive aims to create a stronger European Audiovisual market based on European cooperation. At the same time the directive emphasizes a cultural approach to digitalization "*Audiovisual media services are as much cultural services as they are economic services. Their growing importance for societies, democracy — in particular by ensuring freedom of information, diversity of opinion and media pluralism — education and culture justifies the application of specific rules to these services.*"³⁵

The EU further stresses that disabled and elder persons have the right to access audiovisual services. This means that sign language, subtitling, audio-description and easy menu navigation must be included in the audiovisual services. For example 3-4 hours every day are set aside on the regional multiplex for television broadcasting of programmes in sign language to hearing-disabled viewers.

Many EU countries emphasise media literacy³⁶ helping consumers to use media effectively and safely, understanding the nature of content and making use of all the services offered. Media literacy includes skills in using the internet efficiently and the possibilities offered on the net, as well as in protecting minors from harmful content. This is already integrated into curricula with an extensive use of computers linked to the internet³⁷ and in a number of civil society initiatives – see e.g. The European Charter for Media Literacy.³⁸

In addition to the *AVMS Directive* which promotes media literacy in the digital environment, the EU Commission has issued *Recommendation 2009/625/EC on 20 August 2009 on media literacy in the digital environment* for a more competitive audiovisual and content industry and an inclusive knowledge society. The Recommendation aims to increase media literacy in the digital environment in order to achieve a more competitive knowledge economy while contributing towards a more inclusive information society.

According to the recommendation, EU Member States

- Are invited to develop and implement co-regulatory initiatives to adopt codes of conduct relating to the European media;
- Are encouraged to promote and finance research, studies and projects covering the different aspects and dimensions of media literacy in the digital environment;
- are also encouraged to organize debates in conferences and public events with concerning the inclusion of media literacy in the education curriculum and in key competences for lifelong learning;

³⁴ DIRECTIVE 2010/13/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL – called the AVMS Directive

³⁵ AVMS Directive, point 5 in preamble

³⁶ AVMS Directive, point 47

³⁷ Recommendation (2006)12 of the Committee of Ministers to Member States on empowering children in the new information and communications environment. The recommendation underlines the desirability of pursuing a multi-stakeholder approach with collaboration between government, private sector and civil society.

³⁸ The European Charter for Media Literacy – website, <http://www.euromedialiteracy.eu/index.php> read 26.4.2010

- Should also implement national campaigns to raise the public awareness of cultural heritage, as well as raise the awareness of the risks involved in processing personal data through information and communication networks.

Moreover, the Media Industry is invited to suggest tools to improve the level of media literacy, such as:

- Information tools related to digital content and search engines;
- Awareness-raising campaigns about techniques used for commercial communication purposes (product placement and online advertising);
- Information packs for young people on the processing of personal data;
- Information seminars on the creative economy and copyright.

Convergence of broadcast and online media

Not only digital terrestrial broadcasting or satellite distribution are relevant in the future media landscape. Already now Denmark, Germany and Austria distribute several radio and TV channels via the Internet. Denmark's Radio alone transmits its four main radio channels including windows from 11 regional radios plus 22 niche channels with news or specialized music programmes on the Internet. On top of that the two national television programmes are streamed live in Denmark and programmes can be viewed abroad after having been broadcast in Denmark. Similar services are provided via the Internet in Germany, Austria and elsewhere.

In the three EU Member States the market for online media is rapidly increasing. Daily newspapers have in recent years published their news on their website, so that instead of one deadline for news every day the print media now constantly have to update their news. Online print media as well as radio and television are forced to compete on not only the most important news but also on the latest. This has obviously negative consequences for the quality of each story.

Despite these types of drawbacks the increased distribution of broadband in Serbia will give cheap access to the Internet and endless possibilities for radio and television stations on all levels to provide programmes for the entire world.

2.6 MEDIA CONTENT PROVISION – DISTRIBUTION – IP RIGHTS – USER LITERACY

Unlike the more institutional and technical issues addressed in the previous chapters, this chapter will address a number of principal issues relating to content, distribution and the use of media on different platforms.

2.6.1 EU ACQUIS

Audiovisual media services directive (avms directive)³⁹

The audiovisual media services directive regulates content provided by online media and ‘classic’ broadcasting media. The *AVMS Directive* distinguishes rigorously between linear and non-linear services. The main criterion for the distinction is which entity decides upon the content and the time of its transmission:

- a) The entity is the service provider => linear services
- b) The entity is the user => non-linear services

The AVMS Directive does not govern on-line, non-commercial, audiovisual content, nor audiovisual content transmitted for sharing purposes such as You Tube. For example, IPTV services should be considered linear or non-linear, depending on whether they are interactive (on demand) or not.

For a more technical description of the *AVMS-Directive*, please see Annex 5.2.

The *AVMS-Directive* expresses a number of principles:

The main objective of the Directive is to level the ground for linear TV services and extend the principle of the country of origin to non-linear services, thus adhering to the principles of freedom of transmission and reception. Providers are in principle subject to the jurisdiction of their home country. Consequently, content which may be legally transmitted in its country of origin cannot be banned in another EU country. However, under precise conditions established in the directive EU countries can restrict the retransmission of certain harmful on-demand audiovisual content – e.g. neo-Nazi propaganda – that might not be banned in its country of origin.

Another principle pursued by the AVMS Directive is that of technologically neutral regulation. In principle, services are available regardless of the platform and of the technological means used to transmit them (with some exceptions for TV-broadcasts). Thus, the legislative approach is resistant to technological development and change.

³⁹ Refer to Annex 5.2

Non-linear services are not subject to licensing. The AVMS Directive seeks to avoid over-regulation and regulation of services that differ from TV-broadcasts (non-linear transmission according to the light touch approach to regulation). However, the rules on advertising and protecting children are stricter for television broadcasts than for non-linear services.

Reference is also made to the EU *Safer Internet Program*⁴⁰.

Media literacy

The European emphasis on media literacy in the digital environment⁴¹ makes specific educational projects and issues such as piracy and understanding intellectual property rights a priority.

Please see the extensive documentation on media literacy by the CoE and the EU in Annexes 5.2 and 5.3.

E-Commerce directive

The *Electronic Commerce Directive 2001/31/EC* already regulates aspects regarding commercial online service offers, but mainly restricts itself to aspects such as those concerning jurisdiction and aspects relating to provider responsibility. *The AVMS Directive* stipulates, however, that it supersedes the E-Commerce Directive where their provisions are conflicting.

According to *Article 31 of the Universal Services Directive*, EU Member States may impose reasonable "must carry" obligations, for the transmission of specified radio and television broadcast channels and services. These obligations may be imposed on entities and electronic communications networks under member state jurisdiction if a significant number of end-users receive radio and television broadcasts from these networks. As "must carry" rules have significant economic consequences for cable operators⁴², such obligations shall only be imposed where they are essential to meet clearly defined public interest objectives such as pluralism and diversity and shall be transparent. EU Member States may determine appropriate remuneration for "must carry" obligations. Where remuneration is provided for, Member States shall ensure that it is applied in a proportionate and transparent manner. "Must carry" obligations exist in most EU Member States.

Council Directive 93/83/EEC of 27 September 1993 on the Coordination of Certain Rules Concerning Copyright and Rights Related to Copyright Applicable to Satellite Broadcasting and Cable Retransmission governs the application of copyright and related rights to satellite and cable television in the European Union. The main effect of the Directive is to stipulate that cable retransmission must be on the basis of contractual, not statutory, licenses with

⁴⁰ (http://ec.europa.eu/information_society/activities/sip/index_en.htm)

⁴¹ Refer to Annex 5.2

⁴² Refer to http://ec.europa.eu/information_society/policy/ecomm/doc/current/broadcasting/working_doc_must_carry.pdf.

copyright holders, although existing statutory license schemes were permitted to remain in force until the end of 1997 (Art. 8). Licenses may only be granted or refused by collecting societies [Art. 9(1)], thus making the establishment of such societies compulsory. A collecting society may be deemed to be mandated to manage the cable retransmission rights of a copyright holder if no agreement is expressed [Art. 9(2)]. Broadcasting organizations are free to exercise their right to license or prohibit cable retransmission of their own broadcasts (Art. 10). The Directive also provides for mediation in disputes between cable operators and collecting societies (Art. 11) and for measures to prevent abuse of monopoly powers (Art. 12).

As under the recent amendments to the *Serbian Copyright Act* from 2009, there are procedures which ensure that a fair level of royalties is primarily negotiated, however, failing that, there are mediation mechanisms and ultimately decision mechanisms in place to ensure that goal.

Supporting public awareness in IP rights protection must be done not only by legislative measures but also via awareness campaigns, education of judges and prosecutors as well as proper training of collective right management societies.

To achieve benefits of proper Community legislation implementation are also relevant judgments of the Court of Justice consideration (which judgment is relevant depends of issue tackled).

2.6.2 COE STANDARDS

The most important instrument promoted by the Council of Europe is the European Convention on Transfrontier Television (ECTT), adopted in 1989 (entered into force in 1993) and amended in 2002. This document is currently being revised in order to adapt it to the new realities of the media industry.

The Convention applies to all transfrontier programmes regardless of the technical means of transmission (satellite, cable, terrestrial transmitters, etc.).

Its main provisions cover:

- freedom of expression, reception, and retransmission;
- right to reply, including the transfrontier character of this right and other comparable recourse;
- prohibition of pornography, violence, incitement to racial hatred, etc. ;
- youth protection;
- the screening of European works during most of the broadcasting time if applicable;

- the screening of cinema films (normally not until 2 years after its release but 1 year in the case of films co-produced with the broadcaster);
- advertising standards (e.g. prohibition on the advertising of tobacco, medicines and prescription medical, in addition to restrictions on the advertising of certain products such as alcoholic beverages);
- advertising time (normally less than 15% of daily transmission time and less than 20% of any one hour period);
- advertising breaks programme sponsorship rules.

The *Declaration of the Committee of Ministers on freedom of communication on the internet* elaborates on the principle of limited liability of service providers for Internet content. This principle entails that Member states should ensure that service providers are not held liable for content on the Internet when they merely transmit information or provide access to the Internet. However, such limitations should not affect the possibility of issuing injunctions where service providers are required to terminate or prevent, if possible, an infringement of the law.

Policies regarding the **protection of minors** are addressed in CoE recommendations such as:

- *Recommendation 1882* (2009). The promotion of Internet and online media services appropriate for minors;
- *Declaration on Protecting the Dignity, Security and Privacy of Children on the Internet*, adopted on 20 February 2008;
- *Recommendation CM/Rec(2009)5* by the Committee of Ministers to Member States on measures to protect children against harmful content and behaviour and to promote their active participation in the new information and communications environment, adopted on 8 July 2009.

The study team finds that most of the issues addressed under CoE instruments are extensively covered by legislation at the EU level as addressed above and provides significant guidelines for Serbia's way towards EU accession.

2.6.3 ECONOMIC BACKGROUND

2.6.3.1 PIRACY

150-200 radio and TV stations are said to be pirating in Serbia with an unclear market share. Their activities cause substantial loss and damages to the media market:

- Unauthorized re-broadcasting of content implies loss of revenue to copyright holders;
- Distribution of advertisements damages the market for TV and radio advertisements;
- Transmission interferes with other licensed broadcasters who the consumers paid license fees to watch.

In August 2008, the Republican Telecommunication Agency and the Republican Broadcasting Agency called on radio station owners who had not been granted a broadcast license to cease activities by 1 September 2008 after the completion of public tenders pursuant to Article 119 of the *Broadcasting Law*. Based upon this public call, RATEL undertook an intensive detection of radio stations operating without the license in order to take appropriate measures against these stations. By the end of 2008, over 150 broadcasting stations working without the license were identified through controls and detection of illegal broadcasting. Based upon the obtained results and pursuant to legal provisions regulating telecommunications and general administrative procedures, decrees were adopted prohibiting, without delay and indefinitely the operation of radio stations, due to unlawful usage of radio frequencies. Also, RATEL informed the Broadcasting Agency in order to coordinate measures against the owners of the stations operating without the license. According to data from the metropolitan area of Belgrade over 60% of stations without the license ceased operation by 1 September 2008 or immediately after. However, a number of radio station owners kept working without the license in the hope of additional tenders for regional and local areas.

2.6.3.2 COPYRIGHT – COLLECTING SOCIETIES

Users appear reluctant to pay copyright royalties. The interviews conducted imply that this seems partially due to a non-transparent royalty structure. Another reason is lack of information about why copyrights should be paid and honored.

In addition to the traditional copyright collection society, SOKOJ (Serbian Music Authors' Organization)⁴³ new collecting societies have been established:

- OFPS – Organisation of Producers of Phonograms of Serbia⁴⁴ (the biggest phonogram producer in Serbia is RTS)
- PI – Organization for Collective Management of Interpreters' Rights⁴⁵.

Independent audiovisual producers and broadcasters are not organized in an individual collecting society yet and thus do not collect/receive money.⁴⁶

Small broadcasters have problems negotiating and reporting to collecting societies. During interviews stakeholders repeatedly complained that the level of copyright royalties was set in arbitrarily and was sometimes distributed equally arbitrarily to customers and users.

Amendments to the existing copyright act adopted by the end of 2009 which address the regulation and level of royalties have not yet had any practical effects.

⁴³ SokoJ protects rights of composers, songwriters, arrangers and other right holders in respect of musical works of all genres. SokoJ - Serbian Music Authors' Organization was founded in 1950. It is the oldest and until recently the only organization for collective protection of music copyright and related rights. It represents, on the basis of their authorizations, over 9.000 domestic authors and copyright holders, and more than 2.000.000 foreign authors, on the basis of 101 bilateral agreements concluded with foreign copyright societies.

SokoJ is presently organized as a very model of contemporary European society for collective management of copyright. SokoJ performs its activity on the basis of Copyright and Related Rights Act as revised and adopted in December 2009 (Official Gazette of RS no. 104/2009) and appropriate authorization obtained, in accordance with the law, from Intellectual Property Office. As a non-profit organization, performs two basic groups of activities:

- issuing licenses for public performing and broadcasting protected music works;
- collects adequate remuneration from users of those works; distributes and effects payment of collected remuneration, to authors and other copyright holders both in the country and abroad.

⁴⁴ www.ofps.org.rs

⁴⁵ Organization for Collective Administration of Performing Rights, abbreviated Organization PI, under Copyright Law of Serbia and collective management license performs the following: 1.collection and distribution of performer's remuneration for broadcasting and communication to the public of performances from the published phonograms; 2.collection and distribution of performer's remuneration for making available to the public of performances, by wired or wireless means; 3.collection and distribution of performer's remuneration for rental of the performance; 4.collection and distribution of performer's remuneration for private copying; and 5. to provide protection for foreign holders of performers and ensure protection of Serbian performers' abroad by concluding bilateral agreements with foreign CMOs.

Founders of Organization PI are societies/unions of performers that represent majority of performing artists in Serbia (including but not limited to singers, classical instrumental players, musicians, dancers) - www.pravainterpretatora.org

⁴⁶ AGICOA has been representing international independent producer rights in Serbia in cooperation with SOKOJ some years ago. This cooperation is not running nowadays – following the actual information by the AGICOA board.

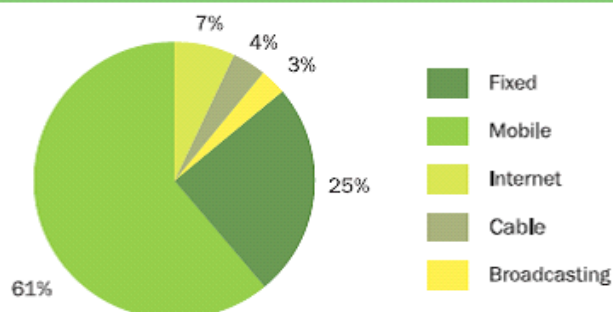
AGICOA is an international, not-for-profit organization established twenty five years ago to track and distribute royalties on retransmission of the products of independent producers. It represents clients worldwide and operates under the terms of audiovisual copyright law established by the Berne Convention and the provisions of the Cable and Satellite Directive. Since 2000, they have collected and distributed over half a billion euros of royalty payments on a portfolio of more than 700.000 audiovisual products (www.agicoa.org).

Distribution channels

The revenues for separate distribution channels (2008) are shown in the RATEL report⁴⁷:

Figure 2. Allocation of Revenues by Services in 2008

Source: RATEL



The impact on the consumer spending as follows:

Table 3. High Usage Basket

Source: RATEL

High usage basket	2007		2008	
	Average bill	% of monthly salary	Average bill	% of monthly salary
Fixed	928.88	2.69%	725.00	1.88%
Mobile (postpaid)	1,257.15	3.65%	1,333.12	3.45%
TV (national TV subscription)	350.00	1.02%	387.00	1.00%
ADSL	1,309.89	3.80%	1,178.00	3.05%
CATV	563.04	1.63%	392.61	1.02%
Total	4,408.96	12.79%	4,015.73	10.40%
Average net salary (in December)	34,471.00		38,626.00	

2.6.3.3 ECONOMICAL IMPACT OF MUST-CARRY REGULATIONS ON NETWORK OPERATORS

Following the historical development of alternative distribution channels to classical terrestrial broadcasting, must-carry rules have been introduced to safeguard natural diversity of programme offers in any particular location. Must-carry obligations can impose a cost burden on network operators which operate in a commercial environment. At the same time, must-carry may be appropriate in the absence of alternative delivery mechanisms, including situations where subscribers are locked-in to a given platform⁴⁸. It should be noted that, next to must-

⁴⁷ An Overview of Telekom Market in the Republic of Serbia in 2008, RATEL, www.ratel.rs

⁴⁸ This impact is all the more important since competition, in particular on broadband, has moved many cable operators from "mere" radio and television markets to the "triple play", i.e. not only into broadcasting but also in internet access and voice telephony, where they compete with internet access providers and more traditional telecommunications companies. (source: EU working paper on must carry http://ec.europa.eu/information_society/policy/ecomms/doc/current/broadcasting/working_doc_must_carry.pdf, retrieved on April 23rd 2010)

carry obligations, other rules may constrain the operation of cable networks in order to ensure an affordable cost for the consumer, such as price controls.

In any event, cable operators will face increased capacity problems in the short term, because of the need to carry both analogue and digital channels during the changeover from analogue to digital; must carry rules, if not well managed can amplify such problems.⁴⁹

The impact on distributors, from economical point of view comprises:

Direct cost

- Higher investment cost
 - This sizing of respective technologies has to be expanded due to the increase of number of channels
- Increase of cost for operation
 - Cost of operation is higher because of increased number of channels
- Increase of cost for maintenance
 - Cost of maintenance is higher because of increased number of channels.

The increase of cost follows to the numbers of channels obligatory distributed by the cable TV provider in the network.

Indirect cost/lost on profit

- Copyrights clearing for must-carry programmes
- Decrease of income generated by re-transmitting channels paying for being transmitted in the bundled package offer of the cable TV network
- Decrease of “attractiveness” of the bundled package offer of the cable TV network to the audience and following decrease in the number of subscribers, thus profit forgone.

There are several ways to calculate the cost of must-carry obligations, ranging from an average pricing rule to an efficient component pricing rule. In the former case, the cost of must-carry obligations will depend on the cost of each element of the network used to fulfill the obligations. In the latter case, the cost will depend on the cost of each of the network element plus the profit forgone as the network has to be used for the must-carry obligations instead of providing other electronic communications services.

However, distribution network providers face due to an continuous increase of programmes covered by must-carry regulations (as many of public service broadcasters on national and local levels expand the number of outlets they offer) a real burden when a certain “adequate” portion of must-carry programmes in their programme offer is exceeded⁵⁰.

⁴⁹ In the longer-term, capacity constraints may become less of a problem with digitalization, as is already the case with satellite broadcasting. However, certain technologies, such as digital terrestrial broadcasting, will not escape capacity constraints in the foreseeable future.

⁵⁰ In some Member States, 50 % or more of the capacity available on cable television networks is dedicated to must-carry channels. In certain countries, compensation can be asked from broadcasters or subscribers. (source: EU working paper on must carry http://ec.europa.eu/information_society/policy/ecomm/doc/current/broadcasting/working_doc_must_carry.pdf , retrieved on April 23rd 2010)

2.6.4 STAKEHOLDER BACKGROUND

2.6.4.1 LEGAL

Content and accountability

Content related issues (protection of minors, advertising, etc.) for broadcasting and other media are addressed in the *laws on Advertising and on Public Information*. Content provision by generally defined linear and non-linear media services are not addressed by specific legislation, but are partly covered by general laws⁵¹. Accountability issues for broadcasters are addressed in the *Broadcasting Law for Broadcasters (Article 75)*. Accountability for internet services providers is addressed in the *Law on E-Commerce*.⁵²

Cable operators require an operator license under the provisions of the current telecommunications act. It is likely that this requirement will be replaced with a simple notification requirement following the adoption of a new *Electronic Communications Act* which is expected to be based upon the 2003 / 2009 EU regulatory framework in the field of electronic communications.

Serbian broadcasting legislation does not specifically address cable (other than stating that a broadcasting license is needed for broadcasting over the cable, unless already having a license for terrestrial broadcasting). The RBA is in the process of preparing procedural rules on cable networks. Yet there is doubt as to whether the RBA is empowered to adopt such rules.

Copyright pertaining to media stakeholders

As already mentioned the copyright act was amended by the end of 2009. In particular, regulations concerning royalties for national and international retransmission were adopted. Provisions were introduced aiming to ensure that collecting societies charge an appropriate level of copyright royalties from broadcasters and cable operators. The copyright level is determined on the basis of negotiations. If this fails, a mediation procedure will take place. Ultimately the payment scheme and the level of royalties may be determined by the Intellectual Property Office. The procedure must align with specified international standards. However, there seems to be no specific reference to non-linear services under Serbian Broadcasting Laws or to issues specified in the *AVMS-Directive* in the amended act on copyright.

⁵¹ Please refer to Annex 5.2 for further reference.

⁵² Broadcasting is defined in the Broadcasting law as a general term for radio and television mass media providing analogue or digital transmission of text, speech, sound, or moving image in the form of program content via radio waves or cable distribution systems to adequate reception devices and intended for the general public.

2.6.4.2 DISTRIBUTION CHANNELS

The media environment in Serbia and the general society are experiencing substantial changes as a result of global technological innovations. However, providers of “classical” streamed TV programmes still play a major role in the Serbian landscape.

This may be the result of the multitude of analogue and cable broadcasters present in Serbia. With an increasing broadband internet penetration, the audience may change to using online distribution channels instead.

IPTV was launched in Serbia in December 2008 by Telekom Srbija (Serbian Telecommunications). Currently there are a total of 59 channels offered, 47 of which are in the main package and 12 optional.

2.6.4.3 STAKEHOLDER BEHAVIOUR – CHANNEL CONVERGENCE

A short history of TV broadcaster ART TV⁵³ illustrates the development of the “content-distribution-copyrights-end-user” circle in Serbia. ART TV was established in 1992 as the first private TV in Serbia, focusing on culture, arts and science. It is financed by advertisements as well as productions for 3rd parties and was once the fifth largest station in Belgrade. Following the implementation of the new *Broadcasting Act*, the economical situation of the station deteriorated. ART TV had to pay a 160.000 euro in frequency license fee for the territory of Belgrade out of a budget of ca 600.000 euro per year. Unscrambled international cable TV programmes translated to Serbian and an unclear copyright situation created economic problems for the station. When ART TV failed to receive government support it had to give up its 3 frequencies in 2009 and transmit via cable. Cable transmission is less costly and the station is not requested to pay license fees. ART TV pays IP rights but disagrees with the revenue split system which links the payment for rights to the generated revenue. Thus, ART TV has decided to switch to terrestrial digital broadcasting to survive.

⁵³Broadcasting regionally in the capital City of Belgrade and its surrounding.

2.6.5 GERMANY, AUSTRIA, DENMARK

2.6.5.1 CONTENT AND ACCOUNTABILITY

Germany

Germany addresses definitions of broadcasting and media services, content and accountability issues for media services in two different sets of law.

The Broadcasting laws of the German regions ('Länder') are based in the inter-state agreement on broadcasting between the Länder (below referred to as Broadcasting Laws. It defined Telemedia services as electronic information or communications services which are not broadcasting. Telemedia services includes a wide range of economic activities addressing the general public as on-demand services and 'distribution services' (linear services) not considered broadcasting such as video text. Content related requirements and public order requirements are addressed in the *Broadcasting Laws* reflecting the requirements in the *AVMS Directive*⁵⁴. More particularly, product placement is prohibited in principle, but exceptions exist in relation to cinema movies, serials, and sports. In addition to that, the *Broadcasting Laws* stipulate that providers of Telemedia services must comply with general legislation and recognized journalistic standards.

The Broadcasting Laws also define broadcasting as an information and communication service disseminating images with or without sound according to an established program plan. Thus, the definition includes, for example teleshopping programs. Further, the definition is technologically neutral, i.e. broadcasting is defined independently of the technological platform (terrestrial, cable, satellite, IP). Consequently, where linear services fall within the scope of this definition, they are considered as broadcasting and are subject to licensing requirements⁵⁵ and regulatory oversight in accordance with broadcasting rules.

Telemedia services are also addressed in a *Federal Law on Telemedia Services*. The split between *Broadcasting Laws* and the *Federal Law* is primarily the result of a division of legislative competencies between the Federal State and the 'Länder'. Provisions in the *Federal Law on Telemedia Services* relate to freedoms of transmission and reception, consumer protection, data protection, or online contracting. Most notably, where Telemedia Service Providers offer additional electronic communications services such as e-mail and internet access, certain liability privileges apply which are designed in accordance with the *E-Commerce Directive*.

⁵⁴ Refer to Annex 5.2 regarding the requirements for linear, non-linear services and for broadcasting.

⁵⁵ As many 'borderline cases' between media services and broadcasting can be expected, a license must only be requested within a period of 6 months following the determination of the regulatory authority that the particular service amounts to broadcasting. This alleviates legal uncertainties for the provider.

Austria

In Austria, all general requirements for all media are addressed in the *Media Law* which also extends to on-demand media services and online services. Thus, all general content and accountability requirements cover online media. However, on-demand online media enjoy certain liability privileges so as to avoid overregulation of personal integrity rights: providers are only liable if they acted neglectfully.

2.6.5.2 MUST CARRY

Cable

General

Cable Regulation aims to ensure diversity, fairness, and equal access to distribution. It should also enhance a stable environment for future investments. At the technical level, it provides for frequency regulation and other technical regulation (avoidance of interference, spectrum allocation for new channels). Spectrum requires allocation, at least for new channels. It is, however, being considered to liberalize the use of cable frequency if limits for interference radiation are not exceeded and security relevant radio services are not affected.

All programme providers which enter a 'feeding in agreement' with the cable operator must notify (to announce in written) cable retransmission with the national regulatory agency. This -notification does not mean that programmes falling under the jurisdiction of another member state have to be registered in Germany to be distributed. The principle of single registration and jurisdiction of the audiovisual media services applies to all irrespectively of the means of distribution (satellite, cable, internet). The feeding in agreement addresses explicitly remuneration to the cable operator and copyright issues.

The operator of an analogue cable network must assign the channels so as to ensure full coverage with public broadcasting programs in their coverage area. If the capacity to transmit programs is insufficient, the regulatory agency decides which programs are to be prioritized on 17 channels according to specific criteria. There are a total of 36 channels.

Digital cable networks are subject to the following "must carry" rules

- Cable operators "must-carry" public broadcasting programs and their packages.
- One third of the capacity must be assigned in accordance with diversity criteria for providers and programmes including non-linear media services.
- The cable operator can assign the remaining capacity as he sees fit in accordance with the law.

The regulatory authority must be informed in advance about the fulfillment of must carry obligations.

Access to cable must be open and non-discriminatory (including at the technology level).

Denmark

In Denmark, owners of cable systems are obliged to transmit the programme of the public service broadcasters, including regional programs within their coverage area and local channels. If a cable system has more than eight channels, one channel must also be available for local television programs within the coverage area. These rules must also be respected within program packages distributed via cable. The Ministry lays down rules concerning cable networks which may include provisions for consumer influence on program selection. The regulatory agency oversees compliance with these rules and may impose related obligations on the owners of cable networks.

Austria

In Austria, cable network operators are obliged to re-transmit public service television programs. This obligation extends also to the carriage of local programs. The media regulatory authority can oblige the cable operator to retransmit programmes from private television station in order to resolve a conflict concerning cable access.

Some EU Member States have adopted additional regulation in addition to the AVMS Directive. For example, “must-carry” obligations apply to fixed IPTV operators in numerous EU countries, such as the French-speaking part of Belgium, France, Sweden, and the UK (although in practice, the parties have negotiated commercial arrangements).

Legal Systems Comparison

Serbia has addressed issues relating to broadcasting in the *Broadcasting Act* and in a number of other laws. In the context of this chapter, the laws on Advertising and on Public information are of particular relevance. It appears to the study team the rationale behind this split approach is that each of these laws deals comprehensively with one subject across all relevant industry sectors (e.g. the *Law on Advertising* applies to all industry sectors), but also contain specific issues by industry sector as necessary. By contrast, other countries take different approaches, addressing all specific issues relating to one sector in a sector specific law. *Copyright legislation* was upgraded by the end of 2009 so as to introduce mechanisms for negotiating and ultimately establishing an appropriate level of license fees which can be requested by collective rights management bodies. It is too early to assess whether the implementation of these provisions is successful.

In Serbia media literacy is generally an evolving field and does currently not seem to be encouraged directly by the Law.

2.7 PUBLIC SUPPORT – BROADCASTERS, PRINT AND NEWS AGENCIES

2.7.1 COE STANDARDS

There is a set of relevant Committee of Ministers Recommendations, Resolutions and Declarations adopted in the media field regarding public media support most of them focusing on funding for public service media:

Recommendation Rec(2007)3 of the Committee of Ministers to Member States on the remit of public service media in the information society, adopted on 31 January 2007,

Recommendation CM/Rec(2007)16 of the Committee of Ministers to Member States on measures to promote the public service value of the Internet, adopted on 7 November 2007,

Declaration of the Committee of Ministers on the guarantee of the independence of public service broadcasting in the Member States, adopted on 27 September 2006,

Recommendation No. R (96) 10 on the guarantee of the independence of public service broadcasting and its Explanatory Memorandum.

List of Recommendations and Resolutions adopted by the Parliamentary Assembly of the Council of Europe in the media field:

Recommendation 1878 (2009). The funding of public service broadcasting,

Recommendation 1773 (2006). The 2003 guidelines on the use of minority languages in the broadcast media and the Council of Europe standards: the need to enhance co-operation and synergy with the OSCE,

Recommendation 1641 (2004) on public service broadcasting.

2.7.2 EU ACQUIS

To the extent that public broadcasters benefit from fees or from direct state funding, the *Protocol on the System of Public Broadcasting in the Member States* addresses the EU Commission's task is to verify whether or not Member States respect the Treaty provisions, especially the State Aid rules in this area. In its *Communication Commission on the Application of State Aid Rules to Public Service Broadcasting* from 2001, the EU Commission outlines its policy in this area. It adopted a *revised Communication* on 2 July 2009. The new Communication has sharpened the focus on accountability and effective control at national level by including a transparent evaluation of the overall impact of publicly-funded new media services. The main changes include: ex ante review of significant new services launched by public service broadcasters, balancing the market impact of such new services with their public value being a key feature; clarifications concerning the inclusion of pay services within the public service remit; more effective control of overcompensation and enhanced supervision of the public service mission at the national level.

While in the EU Commission takes the firm view that the financing of public broadcasters through license fees constitutes a form of state aid, the jurisprudence of the European Courts is less clear on this matter; this question has not yet finally been resolved, as the jurisprudence of the European Courts point into different directions without explicitly addressing the question.

2.7.3 ECONOMIC BACKGROUND

The media study has focused on the organizational and economic needs and best European practices with a focus on the media outlets and the regulation of media. This chapter will however look at public support to media and media institutions to discuss what principles are followed in Serbia compared to best EU practices, what is needed to sustain the desired media structure and what should be changed. However, the media study does not look into the economic structures surrounding the audio visual industry in Serbia and EU as producers of content.

The public media support in Serbia has different modalities:

- Politically agreed level of license fees to RTS and to RTV
- Municipal budget allocations to municipal media (e.g. TV Nic, Studio B in the City of Belgrade, etc.)
- Support to media broadcasting in minority languages
- Grants allocations and funding through the Ministry of Culture
- State ownership and direct funding of the news agency TANJUG, as well as partial funding of some print media.

2.6.3.1 PUBLIC RECEIVING LICENSE FEES TO RTS AND TO RTV (SUBSCRIPTION, AS PER THE SERBIAN BROADCASTING LAW)

Public service television and radio broadcasting is financed by public receiving license fees according to the provisions in *Article 81 of the Broadcasting Act*. The amount to be paid by every household owning radio and TV is monthly 500 Dinars. This sum is adjusted to the retail price growth index (explicitly stated in the law). The obligation to pay is defined as 1 household having 1 electricity meter and at least 1 TV or radio receiving set.⁵⁶

The collection of fees from households is carried out by 5 acting branches of the electricity distribution companies corresponding to the statistical regional structure of Serbia. To cover the cost for the collection those companies keep a part of the collected amount.

The collection of fees from enterprises obliged to pay license fees according to the law is done by RTS whose database holds information for this purpose.

The income generated from the collection of license fees is explicitly indicated in the annual reports of RTS and RTV.

⁵⁶ The introduced fee of 1.000 Dinar for car radio or TV set in a car (following the registration of the car) has not been fully implemented yet.

2.6.3.2 MUNICIPAL MEDIA PUBLIC SUPPORT

Municipal media are listed explicitly in the municipal budget. The allocations are approved by the municipal government on the basis of a programming scheme and a business and marketing plan. This funding can be supplemented by grants allocations or subsidies from the Ministry of Culture.

2.6.3.3 SUPPORT TO MEDIA BROADCASTING IN MINORITY LANGUAGES

National Minority Councils have the right to establish their own media⁵⁷ in accordance with Article 19 of the law on National Councils of National Minorities. According to the Information Department of the Government of Vojvodina Province politicians are members and strongly influencing the activities of the National Councils. The National Councils of National Minorities in Vojvodina receive money for media support from the budget of the Government of Vojvodina at a level, which according to the Information Department only makes the minority media survive without being in competition with other print media in Serbia.

Media established and operating outside of the Vojvodina Province are supported directly by the Ministry of Culture which is described later in more detail.

2.6.3.4 GRANTS ALLOCATIONS AND SUBSIDIES BY THE MINISTRY OF CULTURE

Means originating directly from the state budget, allocated from the Ministry of Culture chapter, are distributed to all types of media according to the standard rules for state budgetary spending.

The plan of grants allocations and subsidies is worked out by the ministerial experts and officials, adopted by the minister, and finally approved by the government.

2.6.3.5 STATE PRESS AGENCY TANJUG

TANJUG represents a complex problem on its own. It has a long term debt from the past, which is gradually paid back by the top management and ministerial funding. Small privately owned news agencies consider TANJUG a monopoly market dominator, abusing state subsidies to achieve an unfair position in the market.

2.6.3.6 DUAL SYSTEM

The model of licenses fee combined with commercial revenues – called dual financing – is common for public service broadcasters in Europe, but highly controversial among commercial broadcasters and discussed intensely at the EU level, mostly with respect to state aid rules⁵⁸.

Considering the limited size of the Serbian media market and the current problems with the collection of license fees it does not seem to be feasible to abolish advertizing revenues for public service broadcasting. This “second pillar” of financing actually contributes to the political independence of public service media.

The Serbian legislation introduced after the transformation of the state national TV and radio broadcaster to a public service broadcaster financed basically by the license fee paid directly by the citizens, is similar to general

⁵⁷Article 19

The National Council itself or in co-operation with another legal personality may establish in line with law institutions and business organisations for the purpose of exercising newspaper-publishing and radio-television broadcasting activities, printing and reproducing of the recorded media, and shall have rights and obligations of the founder.

Article 21

The National Council shall: 3) Give a suggestion regarding distribution of resources which are through open calls allocated from the budget of the Republic, autonomous province or local self-government unit to legal or physical persons performing broadcasting activities in a national minority language.

⁵⁸ Respective CoE Recommendations and AC, relevant EU jurisprudence.

media in other European countries. However, there are obvious problems in the implementation and fulfillment of legal obligations:

- The overall efficiency of receiving license fees collection decreased last year to under 50%
- The success in collection shows regional differences
 - Poor families are not able to cover their monthly budgets (especially in the times of crisis)
 - Databases used for collection are maintained by electricity distribution companies and are based on heterogeneous software platforms of the 5 branches
 - The matching of electricity meter to fees for media consumption is ambiguous
 - The invoice allows for partial or no payment of fees
- The margin covering the collection costs amounts to 6.3% (although it has decreased in last year from approx. 8%).

Municipal and Minority Council ownership and direct budget allocations to “politically established” bodies are controversial model, allowing political influence on management and editorial independence. The attempt to privatize all state owned possessions and enterprises and the later legal provisions for self-government and support to media broadcasting information to citizens in minority languages have resulted in a confusing and unbalanced media landscape.

2.7.4 STAKEHOLDER BACKGROUND

2.7.4.1 PUBLIC FUNDING – OVERALL ANNUAL SPENDING IN SERBIA (ESTIMATIONS)

Licence fees

A key threat to RTS viability is the present system for the collection of license fees. License fees are collected together with the electricity bill by 5 regional electricity companies. In Vojvodina more than 80% households pay license fees but in the southern regions of Serbia only 10-15% do so, according to RTS. The license fee is linked to the price index securing that the core budget does not become the subject of annual political discussions.

The collection of license fees has fallen drastically during the crisis. According to the management the total revenue for public service broadcasting is expected to amount to approximately 50 million euro in 2010 and the commercial revenue around 35 million euro. This projection implies a reduction in the RTS budget from 118 million in 2008 to 85 million euro in 2010. RTS plans to cut 1000 of its present 3500 employees. A budget cut of this magnitude will be damaging or fatal to RTS.

The revenue of **RTS** based on public receiving is decreasing because of the general economic crisis and a decreasing rate of fee collection.

In 2008 the yearly income of RTS was 13 billion Dinars (today approx. 130 million euro)⁵⁹, out of which:

9 billion were license fee from households and enterprises (**90 million euro**)

- 2.6 billion represented revenue from advertising
- 1.4 billion resulted from other commercial (domestic and foreign) activities.

⁵⁹ Source: <http://www.rts.rs/page/rts/sr/javniservis.html>, retrieved on April 21st, 2010, Annual Report of RTS, 2008

According to information provided by the RTS top management (to be confirmed by the audited annual report for 2009), the collection of fees has decreased to approx. **50 million euro**. With an income from commercial activities of approx. 33 million EUR the income in 2009 amounts to approx. 83 million EUR. RTS has considerable payment obligations which impact on budget sustainability.⁶⁰

Last year, RTS (Not including RTV) has received 49 million euro in license fee. In total public service broadcasting (RTS and RTV together) has received 65 million euro in license fee. However, a significant portion of the collected license fee immediately leaves the RTS accounts, as RTS is due to pay VAT, considerable margin for collection itself to electricity Distribution Company, etc.⁶¹

According to data at the disposal of RTS, the number of households that are invoiced by the Electricity Company in Serbia is 2.473.000.

The current license fee price is 500 RSD (ca 5 euro).

The average monthly correction to the collection of license fees is about 10%.

Total annual invoiced income for Serbia is **133 million euro**.

If RTS were able to collect the entire 100% of the license fee, the situation would be following:

RTS would get 75%, **100 million euro per year**.
RTV would get the remaining 25%, **33 million euro**.

This would for RTS constitute the minimum required to operate properly.

The Ministry of Culture allocations

Ministry of Culture allocated 69 million Dinars (approx. 0.7 million EUR) for 2009 in total.

Some examples of allocations:

- 20 million were used to support local and regional media content
- 16 million were used to support media content in national minority languages
- 24.5 million were used to support national minority print media
 - Albanian, Bulgarian, Bosniaks and Roma publishers⁶²
- 8 million were used for Serbian media in Kosovo-Metohija
- 11 million were used for Serbian media in neighbouring countries
- 14 million were used for separate programmes
 - Support to NUNS – 2 projects (e.g. Database of Journalists)
 - Support to UNS projects

⁶⁰ According to the interview with the top management RTS is due to pay VAT – approx 5 mio EUR per year (returning to the state treasury), ca 1 mio EUR from collection goes to license fees. In total public service broadcasting (RTS and RTV together) has received 65 million euro in license fees. However, a significant part of the collected license fees are paid in VAT plus a considerable margin for the collection of the fee to the electricity distribution company, etc.

⁶¹ RTV has received on license fee (in past years):

2006 - 14 million euro
2007 - 19 million euro
2008 - 18.8 million euro
2009 - 16.3 million euro

Source: RTS's accounting books

⁶² Other minority media are supported by national minority support in Vojvodina Province, as described later

80 million Dinars (approx. 0.8 million EUR) were allocated to a specific program on media projects to counter the financial crisis. The amount includes salaries, public interest programs, and quality content.

The Ministry allocated 332 million Dinars (approx. 3.3 million EUR), to different institutions, including the following:

- TANJUG news agency: 153 million
- Radio Yugoslavia: 94 million
- Jugoslovenski pregled (translation service for official documents): 8.5 million
- Jedinstvo: 29 million (a publication from Mitrovica with 6.000 weekly copies for enclaves in Kosovo)
- Etc.

For 2010, the Ministry of Culture budgets expenses of

- 108.5 million Dinars for program financing, incl. media literacy program
- 385 million Dinars for state subsidies.

Thus, the overall yearly budget for public funded media allocated by the **Ministry of Culture** amounts to approximately **5 million EUR**.

Funding of Municipal Media

Spending by the municipalities and local governments on public media support is also not accessible information. A major contribution goes to Studio B. According to information from the top management and as stated in the 2009 Annual Report, the annual budget of ca 2.3 million EUR receives a contribution of 55 to 60% (1.2 million EUR) from the City of Belgrade.

Interviews indicate that the local NIŠ TV operates on an annual budget of 0.6 to 0.7 million EUR, out of which ca 45% consists of various grants from the local government (0.3 million EUR). Radio and TV in Kragujevac spends 80 million Dinars (approx. 0.8 million EUR) per year, and receives approx. 60% (0.5 million EUR) from public sources.

Based on these data for the three largest cities (with the exception of Novi Sad which is hosting the license fee financed RTV) one can estimate that the overall annual funding from local governments and municipalities to the remaining non-privatized public media services would in total for Serbia largely be within **5 million EUR**.

Funding of minority language media

An account of total public support for national minority languages media is not available, since this derives from various sources: National Minority Councils, municipalities, provincial government (Vojvodina), national government, including respective countries of origin. This support is channeled to a very diverse spectrum of media and publishing houses⁶³.

The **Vojvodina Province** constitutes a slightly different case. Based on the *Law on Minority Councils* and decisions by the Parliament, the print media published in minority languages receive an amount of ca 12 million EUR per year. In addition, more than 3 million EUR are spent in accordance with a policy of the Government of Province Vojvodina and its Secretariat for Information to support electronic and print media in general in the Province. The distribution of this money is indicated in the table below:

⁶³ Information is fragmented, e.g. the largest national minority community – Hungarian – is spending (partly covered through the budget of Vojvodina Province) approx. 90 mio Dinars to dailies with circulation of ca 20.000 copies, to Radio Subotica ca 50 mio, 20 mio towards other media support, thus all together approx. 160 million Dinars yearly (approx. 1.6 million EUR). Slovak national minority language weekly with circulation of 5.000 has a yearly budget of 10 mio Dinars, covered by 70% by the provincial budget.

MEDIA IN AUTONOMOUS PROVINCE OF VOJVODINA

MEDIA

PRINT		
Provincial	Regional	Local
2	3	26
		local associations
		4

RADIO		
Provincial	Regional	Local
1	11	61

TV	
Regional	Local
6	22

Media support of the Provincial Secretariat for Information in 2004-2009 in Dinars

Subsidy (print media in minority languages)*	Technical equipment	Program improvement	Standards improvement	Information to the public	TOTAL Dinars approx. EUR
1,240,237,019.00	152,381,959.00	18,169,165.00	11,339,300.00	100,519,000.00	1,522,646,443.00
12,400,000.00	1,520,000.00	181,000.00	113,000.00	1,005,000.00	15,219,000.00

* Public print media, established by Councils of National Minorities Serbian Republic, based in Vojvodina. Subsidies to those print media represent a legal obligation of the Secretariat, whereby other funding from the budget of AP Vojvodina is based on activity of Provincial Secretariat for Information to improve operation of all regional and local media in Vojvodina.

(Source: Provincial Secretariat for Information, Vojvodina Province)

In contrast to the estimated public support for municipal media the minority media in Vojvodina alone receives 12 million Euros.

Total public support to media sector

Together with funding in Vojvodina Province (approx. 15 million EUR) and Ministry's of Culture allocations (approx. 5 million EUR) the overall amount adds up to some **ca 25 million EUR**. This represents the estimated state contribution to financing of media fulfilling public obligations on provincial, regional and local levels. Most of the media must in their dual system for public and commercial funding follow the same principles as RTS and RTV, but they do not have the structural independence of a true public service media organization.

From the listed facts, estimations and rough extrapolations, it seems obvious, that the main source of funding for public media services is the license fees, collected for RTS with a portion reallocated to RTV.

In the year **2008** the overall public funding of the media sector in Serbia (print and electronic, incl. media agencies and associations) amounted to ca **115 million EUR**⁶⁴ including license fees, which represents ca **0.32% of GDP**⁶⁵.

⁶⁴ 90 million license fee plus 25 million euro estimated other sources

⁶⁵ (Source: IMF, World Economic Outlook (WEO), 2010)

In the year **2009** following the dramatic decrease in collection of fees, the overall funding of public media in Serbia reached **90 million EUR**⁶⁶, the equivalent of **0.29% of GDP**.

However, as we shall see the percentage of public media support in Serbia is fairly similar to that found in the three selected EU Member States. The absolute amount reflecting the Serbian economy is low in comparison to the EU Member States.

2.7.4.2 PRESS AGENCY TANJUG

The national state owned press agency TANJUG is formally a relic of former Yugoslavia, with a long professional tradition, as well as abuse during the Milosevic government. However, documentation from TANJUG's archive has in recent years been used to throw light on war crimes, which shows the importance of this type national institution. TANJUG perceives itself as a unique, professional institution, self-confident, and up-to-date.

TANJUG is the Serbian representative at the European Association of Press Agencies. It has lost its regional market share in recent years, is burdened by a significant budget debt of 1.3 million EUR, but is gradually improving the quality of news and services. The management is preparing a strategy for transformation of its legal status but is entirely dependent on its owners' decisions.

According to related legal provisions all parliamentary parties supervise the agency. 60% of the budget is given from the state as public aid and 40% is gained by commercial activities. TANJUG considers its products to have a fair market price. It has tried to distinguish between the "public obligation portion of information", mostly of economical nature, which it considers to be fairly subsidized by state, and the "market oriented" multimedia products such as audiovisual services and interactive/web services, which represent the commercial dimension of the press agency services.

⁶⁶ 65 million license fee plus 25 million euro estimated other sources

2.7.5 COMPARISON WITH EU MEMBER STATES

The financial instruments used in Serbia currently are also used in several EU Member States. The following is an account of the main financial support to public service broadcasting in the three EU Member States used for comparison.

Overview of EU Member States financing of public service broadcasters and other media

(Sources: official statistical data of respective EU Member States, annual reports of respective public service media, reports of collecting bodies in respective countries):

Denmark

- 400 million EUR for DR from license fees⁶⁷
- 56 million EUR for regional TV and radio stations
- Ca 200 million for support for print media
- GDP ca 222 billion EUR⁶⁸
- Approx. 0.21% GDP to public broadcasting
- 0.29% GDP to public media incl. print
- License fee of approx 300 EUR/household/year

Austria

- Ca 750 million EUR from license fees collected
 - 504 million EUR for ORF on receiving license fees⁶⁹
 - Regional TV and radio stations included in the ORF budget
- support for print media – total not available⁷⁰

⁶⁷ Source: www.dr.dk, retrieved April 2nd, 2010

The Danish TV & Radio license fee (Media License) is set by Parliament for a four-year period. The main part (70% in 2008) goes to DR, since TV 2 is primarily financed by advertising. LICENCE FEES PER HOUSEHOLD in DKK* for 2008:

Media License (TV, Radio & New Media) 2,220, single Radio 320 DKK

To receive DR TV, DR Radio, TV 2 regions and local TV/radio a household must pay DKK 6.08 per day (media license fee 2009). VAT is DKK 1.22 of this amount. DR's share of the license fee is DKK 4.26 per day, excl. VAT.

The total number of household licenses is 2,361,454 (Jan. 1, 2009). This means that 92.3 % of all Danish households pay license fees. In addition, firms and institutions pay approx. 109,000 commercial licenses for TV and radio. The commercial license is DKK 780 per year (2009). (*100 DKK = 13.4 Euro, May 2009)

⁶⁸ International Monetary Fund, www.imf.org, retrieved April 22nd, 2010

⁶⁹ Source: ORF Annual Report 2008 (http://kundendienst.orf.at/service/publikationen/gb_2008.html), retrieved on April 22nd 2010

⁷⁰ Subsidies are available to newspapers and magazines meeting certain criteria. For a daily newspaper to receive government funds, it must have a minimum circulation of 10.000 and regional distribution. Weekly newspapers are required to have a minimum circulation of 5.000. Magazines are eligible for funds if they publish between four and forty issues a year. To be considered for funding, a newspaper or magazine must file a formal application with the government. Specific allocations are decided on a case-by-case basis, and various formulas are used to spread the funds among a large number of publications. No single newspaper can receive more than 5 percent of the total budget earmarked

- GDP ca 274 billion EUR⁷¹
- Approx. 0.27% GDP to public broadcasting
- License fee of approx 260 EUR/household/year (in average)⁷²
- (Out of which ORF finally receives 174)⁷³

Germany

- 7.600 million EUR for ARD, ZDF, Deutschlandradio and ARTE on license fees⁷⁴
- German Länder have their own TV and radio stations
- No direct support for print media
- GDP ca 2.4 trillion euro⁷⁵
- Approx. 0.32% GDP to public broadcasting
- Receiving license fee of approx 215 EUR/household/year⁷⁶

The above percentages of GDP given to public media indicate that Serbia corresponds with the overall trends in the three selected countries. However, it is evident that absolute figures might in some cases be below the operating minimum of media. Please see an overview of the financing of public service broadcasting in a number of EU-Member States in the annexes⁷⁷. Though the figures are from 2006, and 2007, they still offer an indication of the shares of income from license fees, commercials and other sources.

for support of the daily press. (http://www.photius.com/countries/austria/government/austria_government_newspapers_and_perio~186.html, read on April 12, 2010)

⁷¹ International Monetary Fund, www.imf.org, retrieved April 22nd, 2010

⁷² Licensing system in Austria is rather complex. The license consists of Radio and TV payment, ORF contribution, Country (region) contribution, Contribution to cultural activities funding and taxes (see Annex). Responsible for license administration GIS - Gebühren Info Service GmbH, a 100% subsidiary of the Austrian Broadcasting Company (ORF), as well as an agency of the Ministry of Finance, charged with performing functions concerning national interests. 66% of Transaction volume is allocated to the ORF for financing the organization and its programs, and 34% are allocated to the federal government and the local governments (taxes and funding of local cultural activities). 3.5 million Austrian households are registered at GIS, percentage of license dodgers in Austria amounts to 2,5%. The annual television & radio license varies in price depending on which state one lives in. See Annex 6.16.

⁷³ Source: GIS, http://www.orf-gis.at/index.php?kategorie=gebuehren&thema=tabelle_tv, read on April 22nd 2010

⁷⁴ Source: www.ard.de, retrieved on April 22nd, 2010

Since 1.1.2009 belongs 1,9275% of the basis fee and 1,8818 % of the TV fee to "Landesmedienanstalten" (Media Offices of the Laender). 93,0219 % goes to Laender ARD broadcasters and 6,9781 % to the Deutschland Radio. Out of the TV fee 60,5086 % goes to ARD programme and 39,4914 % to ZDF programme. Arte gets from ARD/ZDF yearly contribution of 163,71 Mio Euro.

⁷⁵ International Monetary Fund, www.imf.org, retrieved April 22nd, 2010

⁷⁶ Source: <http://web.ard.de>, retrieved on April 22nd, 2010

⁷⁷ Annexes 5.12, 5.13 and 5.14

The overviews are taken from the European Audiovisual Observatory in Strasbourg:

- Revenues of public service companies (3 groups – major, mid-size, minor)
- Breakdown of revenues of public service companies (public funds vs. commercial)
- TV license fees (overview).

2.7.5.1 ECONOMIC MODELS FOR SUPPORT TO PUBLIC SERVICE MEDIA

The EU Member States have developed similar models of media programme support as “public obligation” fulfillment. The respective models are described in more detail in the previous chapters of this study but some are relevant concerning financing schemes:

- All countries selected for comparison operate TV public broadcasting on 2 main national channels
- All of them except Denmark’s Radio allows for a certain extent of commercial broadcasting (advertisements)
- Danish TV2 is financed exclusively by commercial activities
- In Austria both channels – ORF 1 and ORF 2 – have a mixed, double financing
- In Germany the ARD as well as ZDF use public and commercial funding in parallel
- Proportions (see Table Breakdown of revenues in Public Service Broadcasting, Annex 5.12):
 - Denmark obtains ca 40% of commercial revenues to its public service broadcasting
 - Austria almost 45% of commercial revenues
 - Germany up to 20%.

Principles for Collection of License Fees

Germany

In Germany, the invoicing and the collection of the user fees is managed by an association ('GEZ')⁷⁸ of public broadcasters (ARD and ZDF) which has been awarded public authority, and which acts on behalf of the public broadcasters entitled to the fees. Thus, it has the means to enforce payment orders under public law in accordance with laws on enforcing administrative decisions.

Denmark

In Denmark the Denmark's Radio's Office for License (DR being the public service broadcaster financed dominantly by license fees) collects the fees through half annual or monthly payments. Denmark's Radio's Office for License fees is given authority to check if households possess such equipment through technical and personal control from outside people's front door or window. If households do not pay their license fees, the Danish national tax authorities will claim the money and give it to DR when paid by the household.

Austria

The License Fee is collected as monthly payments. The responsible authority for license fee collection in Austria is GIS - Gebühren Info Service GmbH⁷⁹, a 100% subsidiary of the Austrian Broadcasting Company (ORF), as well as an agency of the Ministry of Finance, charged with performing functions concerning national interests. GIS employs some 200 people and approx. 125 free lancers in field service.

Press agencies

There are no applicable parallels to TANJUG, which is a national press agency managed by the state or private news agencies in the selected 3 EU Member States. All three have a long tradition with one widely respected national agency with international reach, fulfilling all related obligations on the domestic territory, fully independent from the government, all three co-owned by the national media themselves:

- DPA in Germany, is a limited company with 190 owners⁸⁰
- APA in Austria is owned by 15 major dailies and ORF, the national public service broadcaster⁸¹
- RITZAU collectively owned by major Danish dailies and DR, the national public service broadcaster.⁸²

⁷⁸ http://web.ard.de/abc_relink/relink.php?p_id=817&p_typ=eg

⁷⁹ <http://www.orf-gis.at/index.php?kategorie=ueberuns&thema=aufgaben>

⁸⁰ The German Press Agency dpa is a private limited liability company under German law (GmbH) with around 190 German shareholders (newspaper and magazine publication houses, publishers, broadcasting corporations and media groups). No shareholder may hold up more than 1.5 per cent of its total capital, with a maximum of 25 % of share capital being held by broadcasters. This ensures that no single shareholder can exert a dominating influence on the company. In 2007, dpa's core company turnover (i.e. excluding subsidiaries and shares) amounted to 94 million Euros. The operating principles of the company are defined by the shareholders at their general meetings.

⁸¹ Refer to <http://www.apa.at/cms/site/standard.html?channel=CH0004>

An example from CEE transition countries, which has often been mentioned by interviewees in Serbia, is Slovakia's former state agency TASR⁸³ and the major privately owned Slovak news agency SITA. After a long period of bitter fights following the establishment of SITA in the mid 90's a delicate balance between the two competitors could be achieved. During the EU accession process TASR has been transformed into a public institution, the limited state support is clearly declared as state aid and the profile of TASR has been reshaped to reflect its primarily public obligations. SITA is still not making big profits but it has been able to stabilize its position on the market by especially increasing its portfolio of services towards audiovisual, new media and interactive ones.

⁸² Ritzau's Bureau I/S is a media-owned partnership and includes three subsidiaries, which are owned exclusively by Ritzau's Bureau. Ritzau's Medienet A/S operates a distribution and service network as an intranet, linking costumers to Ritzau's news service and other content providers such as photo agencies. The Medienet intranet is faster, safer and has a greater capacity than the open internet. Ritzau Medieservice A/S offers sports results, sports tabels, and cinema tabels, radio- and tv-tabels. RB-Boersen A/S, a financial news agency, offers financial news to financial institutions, investors and major companies.

⁸³ Being a split of former Czecho-Slovak state agency CTK, TASR – the Slovak News Agency – was established as stipulated in the (Slovak) Act No. 385/2008 on the Slovak News Agency and in changes of several acts as of September 23, 2008. It is a **public-service, national, independent and information institution that provides public service in the field of news.**

The main activity of TASR is a public service in the field of providing news reports. This public service involves the search for and processing of news items that are: up-to-date, on time, verified, unbiased and impartial; processed in the form of text, audio, audio-video, video or multimedia files; broadcast via domestic and foreign news agency service. The service also includes storing of the collected news and the provision of access to them. TASR carries out its tasks in the public interest in accordance with Paragraph 3, Section 5 of Act No. 385/2008 (broadcasting act).

TASR legal and business standing: TASR was established by law, it is a legal entity filed in the business registry – it has clear profile of a “public institution” similar to Slovak public service television STV or radio SRo. The responsibility for its activities lies with its CEO, who is elected by the TASR Administration Council.

3 RECOMMENDATIONS

3.1 RECOMMENDATIONS FOR LOCAL ▪ MUNICIPAL ▪ REGIONAL BROADCASTING

3.1.1 RECOMMENDATIONS FOR REGIONAL BROADCASTING IN SERBIA

Background

With the switch from analogue to digital broadcasting the regions will become the most de-centralised entities in Serbia. The broadcasting regions can be defined as the present or planned 4-6 statistical regions or the number of regions can be similar in size to those in Austria or Scandinavia, resulting in 10 to 15 broadcasting regions in Serbia. With the international trend of bi-media production it will be logic to integrate regional radio and TV broadcasting in the same entity.

In accordance with *Council of Europe resolution 1636 (2008) Indicators for Media in a Democracy* and living up to European standards and best practices in the selected Member States the existing municipal broadcasters would need to be transferred from municipal ownership. To ensure sustainability and editorial integrity a suitable model would be independent public service broadcasters as independent legal entities. Instead of broadcasting a full 12-24 hours programme schedule with very low ratings and share of viewing outside key news programmes the regional broadcasters should enter into agreement with RTS to broadcast simultaneously in each region as windows in the national programming. By broadcasting regional news and other attractive content the regional programmes will attract audience to the national channel and vice versa. The regional broadcasters could further enter into agreement with RTS on delivering special programmes for national broadcasting.

Regional broadcasting is within EU considered as public service and could be covered through media fees collected in a similar fashion as it is done for RTS. The rules on advertisements applied to public service broadcasting should also be applied to regional broadcasting. The license fees for regional broadcasting and production could be added to the current budgeted license fees for RTS of 100 million euro. The expenses for regional broadcasting and regional production for the national programme are estimated to an additional 10% in license fees and in addition commercial revenue according to the present rules for public serve broadcasting. A detailed economic analysis of the actual broadcasters concerned should however establish the exact figure that is needed.

Recommendation

It is recommended that a model for regional Television and Radio in Serbia is developed:

- Ten to fifteen broadcasting regions are defined by the Ministry of Culture.
- A founding advisory programme board is established in each region consisting of 17 to 21 civil society representatives from the region.
- A board of directors consisting of 7-9 members is elected by each regional advisory programme board. The members cannot be active politicians or executive public employees.
- Each regional board selects a managing director/editor-in-chief through public competition and with full daily editorial and economic responsibility and authority.
- Each regional public service broadcaster is established as legal entity.
- Municipally owned local and regional broadcasters in the region stop as independent entities and equipment and staff is transferred to the newly established public service broadcaster under its management.
- Private radio and TV stations are offered to transfer equipment and staff to the regional public service broadcaster or to continue broadcasting till their frequency license expires.
- The new regional public service broadcaster can decide itself whether to have a decentralised or centralised production of programmes from its region
- The established regional public service broadcasters are independent entities but are in relation to parliamentary allocation of resources and in relation to agreements with RTS on broadcasting hours and other practical issues to be seen as a network doing the negotiations collectively.
- Political agreements are entered with the regional network of broadcasters about public service obligations, annual public service plans and accounts, as well as possible changes in the tasks and financing.
- The regional broadcasters are funded by license fees in addition to RTS' license fees to produce and broadcast regional programmes, and have the same rights as RTS to gain commercial revenue. The license fees are equally shared between all regional public service broadcasters.
- The regional broadcasters are from additional license fees on top of the present RTS' license fees paid to produce regional content to the RTS national programme according to the editorial needs of RTS and the capacity of the individual regional broadcaster.
- The regional broadcasters might over time expand the hours of regional broadcasting and eventually establish a joint national public service channel should need, financing and political will be present.
- *The Broadcasting Law, the Law on Capital City, the Law on Local Self-Government, the Law on Public Information, the Law on National Councils of National Minorities, must be adapted accordingly.*

SWOT Recommendation 1

Strength	Editorial independence, strong viewership, programme quality, sustainable financing, efficient use of resources, better integration of regional programming at national TV and radio
Weakness	Complex start up
Opportunity	Switch to digital television broadcasting closes down the municipal level and a change should happen anyway
Threat	RTS might not be interested, regional broadcasters might prefer transmitting 24 hours

3.1.2 RECOMMENDATIONS FOR LOCAL TV AND RADIO

Background

Local civil sector broadcasters in Serbia generally survive from sponsorships, sponsored programme production, payment for phone-ins or music wishes etc. Eventually also user fees is a possibility. Volunteers and civil society organisations are important elements.

With the switch to digital terrestrial broadcasting the anticipated broadcast regions will be the nearest possibility for local terrestrial broadcasting. The television stations will therefore either have to close down or jointly apply for a regional frequency.

As the situation is now local radio will be able to continue on their analogue frequencies, or alternatively begin distributing their programmes via local cable nets or via the internet on which also TV-programmes can be distributed.

The localized programmes are important for local democracy and civil society, but broadcasting in a full 12-24 hours programme schedule at local level is not an efficient use of resources and does not result in a desirable level of programme quality. While broadcasting at regional level gives access to a much larger audience it is also important for the local profile to have easily recognizable news programmes from each of the participating local media. However, the majority of programming on a regional frequency would by nature be of a higher quality than today because of collaboration on programme production, and provision of much fewer programme hours per broadcaster.

Recommendations

It is recommended that the local civil sector broadcasters will be given access to broadcast on a joint frequency for each broadcast region

- Key civil society organisations invite the existing civil sector broadcasters in a broadcast region to a meeting for the founding of a regional association.
- The interested civil sector broadcasters elect a coordination committee with all broadcasters from the region represented.
- The coordination committee develops programme policy, tentative programme schedule, agreement on contribution in terms of timeslots, description of organisation and economic collaboration agreement.
- The coordination committee submits an application to the RBA for a regional digital frequency for broadcasting of television and for a regional analogue frequency for broadcasting of radio programmes.
- Civil sector radio and television stations broadcasting regionally are supported from license fees on top of the existing license fees collected for RTS through applications from civil sector broadcasters and their regional associations,
- On top of the association of local civil sector broadcasters existing local commercial television broadcasters should be given access to the digital regional frequency until their frequency license expires.
- Local radios that do not want to be part of the regional structure can continue analogue broadcasting until expiry of their frequency license.
- Local radio and television programmes can be distributed via the internet or local cable networks upon registration.

SWOT Recommendation 2

Strength	Local media coverage, sustained economy, regional cooperation, higher quality
Weakness	Not all content will be of interest at regional level
Opportunity	Switch to digital terrestrial broadcasting offers a particular window of opportunity
Threat	Lack of collaboration. Resistance from commercial broadcasters

3.1.3 RECOMMENDATIONS FOR PRINT LOCAL MEDIA

Background

According to Local Press only two local daily newspapers exist. Rest of the local print media are weeklies, bi-weeklies, monthlies etc.

While the economy and circulation of the latter is limited they do serve a trustworthy function in the local communities. However, the business model of relying mainly on subscriptions for that type of print outlets is unusual in the selected Member States and probably also in a larger European context. In most countries such publications would be distributed to all citizens in the local community and be based on advertisements.

Rather than establishing a state support scheme it could be more viable with help to transformation of the business model.

Recommendations

It is recommended to provide a helping hand to local print media.

- The Ministry of Culture should give access to applications for grants supporting development of new business models for local print media.
- It should further be considered to establish rule based subsidies for local daily newspapers, possibly in connection with subsidies to national print dailies. The goal is to encourage diversity of opinions in print media with smaller circulations.

SWOT Recommendation 3

Strength	Local dailies will be helped to survive and other local print media will be forced to develop viable business models if they shall survive
Weakness	In spite of these efforts it may be expected that very small local media will close in the future
Opportunity	If successful the new business models might result in a very vivid market for local weeklies as in most of EU
Threats	The local print media would not collaborate on development

3.2 RECOMMENDATIONS FOR NATIONAL BROADCASTING IN SERBIA

Background

Serbia has a limited population and a meagre market but relatively many national broadcasters. The national public service broadcaster RTS has a leading position among viewers and listeners but is financially hurt by the transition to user's license fees and the financial crisis, which lead to only half of the license fees being collected.

RTV has important capacity and experience in dealing with minority programming reaching out to the other parts of the region. With radio and television outlets like a full national broadcaster, insufficient funding and with a very limited audience in the province in comparison with RTS the present situation is not sustainable. However, RTV has the capacity to become one of the anchor organisations in a regional system.

In comparison with EU Member States and with countries in the region RTS is one of the cheapest public service broadcasters judged by the revenue from license fees. The total public support to media in Serbia measured by the GDP per capita is similar to those of the 3 EU Member States. The mix of license fees and commercial revenue is common in EU member countries with the exception of Swedish Radio, Denmark's Radio, British Broadcasting Corporation and Estonian Radio and Television.

It has however also become EU standards that it is well documented that the public broadcasters fulfill their public service obligations and that the license fees are not used for undue competition with commercial broadcasters.

5 commercial television broadcasters struggle to maintain their market shares and commercial revenue, the majority by focusing on entertainment. In comparison with EU Member States and with neighbouring countries in the region the commercial market in Serbia is far too small to sustain so many commercial TV stations. One or two commercial tv stations would be a more realistic number. As in other transitional countries the share of the advertising market for television in Serbia must also be expected to decrease relatively compared with other media.

Besides reducing the number of national commercial television and radio broadcasters it could be considered to encourage pluralism and diversity by implementing annual calls for proposals for public service programme projects from national commercial broadcasters in fields like investigative journalism, documentary series, drama production or activities related to niche channels.

It is hardly sustainable to maintain RTS as a provincial broadcaster with radio and television outlets like a national broadcaster, and new functions should be elaborated fitting in with a new media strategy.

With the digital switch in 2012 important political decisions have to be made for national broadcasting in Serbia whether it is for public service or commercial broadcasters.

Recommendations

It is recommended that the financial basis for public service broadcasting is strengthened, the fulfillment of the obligations is well documented, and a cooperation with regional broadcasters established:

- RTS develops its financial management system making available developing detailed budgets and accounts for individual departments, programmes, services and obligations like orchestras, minority programmes etc.
- RTS delivers every year to the RBA a fairly detailed plan documenting how its public service obligations for the coming year will be fulfilled and how its financial budget will be allocated to honor these obligations.
- RTS delivers every year to the RBA a public service account documenting how it's the broadcasted programming and services have fulfilled the public service obligations.
- RBA establishes a small sub-committee of experts to evaluate and advise on the requirements for the reporting and to monitor the future reporting.
- The present conditions for commercial revenue and the intended level of license fees to RTS following the price index remains unchanged. VAT- exemption of RTS could be considered.
- On one of its two main television and on one of its radio channels RTS will provide daily windows in its programme schedule for simultaneous broadcasting of regional radio and television programmes.
- The RTS will further broadcast programmes from the regional broadcasters nationally according to the editorial needs of RTS and the capacity of the individual regional broadcasters.

SWOT Recommendation 1:

Strength	Brings RTS reporting up to EU standard, ensures stable economy and long term planning and strengthens public support to media license fees by collecting it jointly for all media purposes; establishes a system of regional broadcasters cooperating with the national broadcaster
Weakness	Demands major administrative changes within RTS
Opportunity	Will ensure that Serbia fulfils EU standards on license fees/state support issues
Threat	Delays in RTS reforms and in setting up the Media Fund

Recommendations for RTV

It is recommended that RTV changes its status to become a backbone together with Studio B of a new system of regional radio and TV broadcasters, as well as to become editorially responsible for the development of minority programmes and cooperation with neighbouring countries

- RTV undergoes reconstruction as regional public service broadcaster with an advisory board of civil society representatives, and elects a managing board of RTV.
- RTV prepares for production and broadcasting of its regional programmes in windows at RTS.
- RTV develops a training strategy and sets up training facilities and curricula with the system of regional broadcasters.
- RTV provides a strategy and editorial mechanism for national development of minority programmes, making use of relevant production capacity at RTV, RTS and the other regional broadcasters and for broadcasting of the programmes.
- RTV develops training of regional broadcasters in production of minority programmes.
- In a stakeholder driven process with RTS and the national broadcasters in relevant and interested parts of the SEE region RTV develops a strategy for increased regional cooperation on programme co-production, exchanges, festivals, joint training etc.
- RTV increases the number of programmes provided for broadcasting at RTS and a long term agreement with RTS on the niches to be covered.

SWOT Recommendation 2

Strength	The regional system can be launched quickly and convincingly, minority programming will be strengthened, more programme inputs for RTS, strengthened media collaboration in the SEE-region, and more efficient use of license fee income
Weakness	It can be difficult to accept that a multichannel broadcaster changes profile
Opportunity	The present situation is unsustainable and there is a need to look for new solutions to RTV
Threat	There is a risk that a change in status could become politically controversial

Recommendations for national commercial broadcasters

It is recommended that serious efforts are made to ensure high quality programming for broadcasters outside the national public service system.

- On top of RTS level of license fees funding is set aside for annual applications from national commercial broadcasters to produce public service programmes as e.g. investigative, documentary, fiction, and other genuine public service programmes.
- On top of the license fees collected for RTS funding is set aside for a minority media fund governed by professionals and supporting quality minority programmes.
- Renewal of existing commercial broadcasting licenses must follow the beauty contest principle in which the offered content is more important than the potential income for the state in terms of frequency license fees. Very clearly defined measurable criteria for evaluations should be given to the participants in the tender with regard to programme genres, staff and budgetary allocations to the genres, as well as procurement from independent producers. Proven experience from e.g. news, investigative journalism, cultural programmes, national fiction etc. should also be a weighed factor. Minimum standards may be defined.
- A maximum two commercial national broadcasting frequencies with possible additional niche channels should be tendered.

SWOT Recommendation 3:

Strength	Sustainable commercial broadcasters, broadcasting programmes of higher quality and of public interest
Weakness	The structure may be controversial
Opportunity	Digital switch, sustained RTS and strengthened RBA offers new possibilities
Threat	Resistance from some commercial interests

3.3 RECOMMENDATIONS FOR REGULATORY BODIES – RBA, RATEL, PRESS COUNCIL

3.3.1 RECOMMENDATIONS FOR INCREASED RATEL/RBA COOPERATION

Background

The need to prepare the implementation ahead of the digitalization calls for very efficient cooperation between RBA and RATEL. It is, however, not possible to point to a clear ‘European best practice’ model to support the establishment of a consolidated regulatory agency, though the majority of agencies do not have unified functions as those in RATEL and RBA. It might be desirable to merge the two agencies, but with the digital switch very close in the horizon a merge would risk causing serious delays and may not be advisable.

Recommendation

It is recommended that RATEL and RBA increase their cooperation before, during and after the digital switch:

- The Ministry of Culture invites the administrative heads of RATEL and RBA to outline decisions and tasks to be carried out to implement *Strategy and Action Plan for the transition from analogue to digital broadcasting of radio and television programs in the Republic of Serbia*.⁸⁴
- An administrative working group of the RATEL, RBA, the ministries of Culture and Telecommunications and Information Society establish a digital forum for relevant thematic discussions and decisions for civil servants involved in the process. The newly established company for technical transmission should take part.

SWOT Recommendation 1

Strength	Coordinated efforts crucial to digital switch by 2012
Weakness	Merge might be better solution but may distract from the main goal of implementation of digitalization in 2012
Opportunity	Increased cooperation before digital switch will continue after
Threat	Political and personal ambitions

⁸⁴ Website of the Ministry of Telecommunications and Information Society http://www.mtid.gov.rs/digitalizacija/digitalizacija/proces_donosenja_strategije_za_prelazak_sa_analognog_na_digitalno_emitovanje_radio_i_televizijskog_programa_u_republici_srbiji.587.html - read 26.4.2010

3.3.2 RECOMMENDATION FOR EMPOWERMENT OF RBA ADMINISTRATION AND SUB-COMMITTEES

Background

Within the Broadcasting Law the RBA administration could apparently have stronger authority and organizational set up to proactively prepare legislation, recommendations or decisions. The current situation leaves the RBA Agency Council very powerful and open to criticism.

Decisions made by the RBA Agency Council concerning license allocation are often perceived as arbitrary by the very competitive media environment. Clarity in guidelines and evaluation criteria for applications is therefore crucial.

Recommendation

It is recommended that power from the RBA Agency Council is delegated to the RBA administration and independent sub-committees in addition to establishing detailed application and monitoring procedures:

- The RBA Agency Council should make its administration proactively develop draft policies and general instructions as per *Article 12 of the Law on Broadcasting*.
- The RBA Agency Council should be obliged to establish independent expert committees in relevant areas to make decisions or recommendations for the Council in close cooperation with the administration.
- The capacity of the administrative body should be increased through training, exchanges and, where necessary, employment of new experts.
- The RBA should develop and publicise detailed criteria for granting and evaluating broadcasting licenses.

SWOT Recommendation 2

Strength	Will help strengthen arm's length principle, strengthens transparency, strengthens well founded professional decisions
Weakness	May demand legislative change to make the Agency Council change its procedures
Opportunity	The coming digital switch will be so demanding that the Agency Council will be forced to delegate decision making
Threat	That the Agency Council considers that the recommendations compromise their power or integrity

3.3.3 RECOMMENDATION FOR AN EFFICIENT SELF-REGULATORY PRESS COUNCIL

Background

Following several unsuccessful attempts the Serbian Press Council has finally been established with the help of the Ministry of Culture, the Norwegian Press Council, and other donors. There is a tradition for animosity among the founding members of the council, and the preparation before the council starts working still seems slow.

Funding has to be identified, management appointed and staff employed. Yet there is a distinct need for professional self-regulation in the Serbian media sector, and external encouragement to start this process is significant.

The experience from the chosen EU Member States shows that in some cases self-regulatory bodies succeed without any state involvement. In other cases they don't.

Recommendation

It is recommended that the establishment and work of the Press Council supported by media and non-state actors remains self-regulatory but, if it does not succeed it should be considered in a new attempt to set it up by law.

- The Press Council establishes itself with president, management, description of jobs and procedures
- The independent and self-regulatory Press Council is given political backing from the Government and the Parliament
- After 1-2 years the Press Council is evaluated by an independent international body
- If the Press Council turns out not to function after this period a pragmatic solutions will be investigated.

SWOT Recommendation 3

Strength	The self regulatory principle is respected
Weakness	It may take considerable time before the Press Council operates efficiently
Opportunity	The Press Council should be given full political support
Threat	The Press Council might end as a lame duck without credibility because of internal

	fights and lack of professionalism
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3.4 RECOMMENDATIONS FOR DIGITALIZATION IN SERBIA

3.4.1 RECOMMENDATIONS FOR DIGITAL TELEVISION

Background

With Serbia's switch from analogue to digital broadcasting several issues are pertinent. It is a big investment for the state and for the individual household that in most cases needs a Digital Set Top Box to decode digital signals into analogue television. The digitalisation is however also a process that Serbia must and has committed to complete by 2012, and it is a process demanding careful planning and implementation.

Legislators and regulatory bodies need to make complex decisions before deciding how many multiplexes and terrestrial transmission towers will be used. They must also decide how to manage the digital system and what kind of television channels will be given space.

For the broadcasters the possibility for additional broadcast frequencies opens new possibilities. For the politicians and for RBA it requires clear priorities and decisions about the demands to public service and commercial broadcasting organisations.

Recommendation

It is recommended to take the following steps to ensure a smooth implementation of the digital switch:

- The Serbian Parliament should ahead of the digital switch agree on a national media strategy deciding on the number and demands to broadcasters at national, regional and local levels.
- The national and regional public service broadcasters are given preference with sufficient bands on the digital terrestrial net for immediate and future use.
- The multiplexes shall ensure sufficient bands for RTS including one with a possibility for regional windows.
- The multiplexes shall further have one band reserved for regional public service broadcasters and one band for regional civil sector broadcasting.
- The multiplexes shall further ensure space for two commercial television stations.

- Frequencies should be reserved for future broadcasting channels.
- A comprehensive information campaign of primarily consumers but also of broadcasters must be implemented

SWOT Recommendation 1

Strength	Space is reserved for public and private broadcasters, simultaneous switch for all national and regional television outlets
Weakness	Expensive for the state, for broadcasters and for the individual households
Opportunity	The digitalization opens for new niche channels serving the public
Threat	Expenses too high

3.4.2 RECOMMENDATIONS FOR DIGITAL DIVIDEND

Background

The long term perspective of maximising the Digital Dividend is promising for Serbia. In order to benefit optimally from this the Government and the regulatory bodies must prepare for alignment with EU policies and practices concerning mobile phones, internet or non-linear service providers using the digital frequencies.

It is also clear that the convergence between terrestrial broadcasting and internet based distribution of non-linear and linear television, internet based newspapers, radio and other services will provide new possibilities and add demands to the consumer. The need for education and training in using digital media is essential in order to maximise the Digital Dividend.

Recommendation

It is recommended that Serbia takes the following steps to benefit from the Digital Dividend:

- The RBA establishes an expert committee with representatives from the media, cable, public administration, industry, and culture and industry sectors to prepare a coherent strategy and action plans for the Digital Dividend for Serbia over the next 10 years.
- Implements technical regulation based on detailed input from the industry on digital dividend to prevent interference between digital services.

SWOT Recommendation 2

Strength	serious and systematic approach to benefit from Digital Dividend
Weakness	The industry might not be mature enough to benefit from the advantages and the population not sufficiently media literate
Opportunity	Possible benefits to employment and economic development
Threat	Absence of coordination

3.5 RECOMMENDATIONS FOR MEDIA CONTENT PROVISION – DISTRIBUTION – IP RIGHTS – USER LITERACY

3.5.1 RECOMMENDATION ON CONTENT AND ACCOUNTABILITY

Background

Issues relating to broadcasting are addressed in the Broadcasting Act and in the laws on Advertising and on Public information. These laws do not only set deal rules generally applicable across all relevant industry sectors (e.g. the Law on Advertising applies to all industry sectors), but also contain specific issues by industry sector as necessary, such as broadcasting and media. Some EU countries, including Germany, Denmark and Austria, take different approaches, addressing all specific issues relating to one sector in a sector specific law. However, we would not recommend changing the approach which Serbia has opted for. Changes would be fundamental and systematic and would probably have knock on effects on other sectors addressed by the law. Also, the existing laws should be able to accommodate the necessary changes. In the case of On-line media services, although the definitions of those will impact on several laws, they should be addressed and defined only once for ease of reference; as they should be read in context with and delineated from broadcasting services, the broadcasting act seems a suitable instrument to include such definitions. In accordance with practice in Member States as established, a definition of service providers of audiovisual media services providers and a general definition of broadcasting should be included.

There is a set of actions to be taken to improve legislation and to align with relevant Aquis Communautaire and CoE recommendations, focusing on content and accountability, is listed below in the respective recommendation parts.

Recommendation

In relation to content provision and 'online media', the Serbian legislation should be fully aligned with the *AVMS Directive*. In particular, the following elements must be properly reflected in the law:

- On-line media services should be clearly defined in accordance with the *AVMS Directive*⁸⁵ and delineated from broadcasting. They should be defined in a technologically neutral way without restrictions to airwaves and cable;
- The broadcasting act should further provide that all media and broadcasting services adhere to the principles of country of origin⁸⁶ and of protection of pluralism⁸⁷. Television broadcasters should promote European works.

⁸⁵ Refer to Nr. 1 of Appendix 1 to Annex 5.2

⁸⁶ Refer to Nr. 2.1 of Appendix 1 to Annex 5.2

⁸⁷ Refer to Nr. 2.3 of Appendix 1 to Annex 5.2

- The *Law on Public Information* should clarify that also linear media services should be covered by the provisions on the protection of minors extend to such media and that editorial responsibility would be made transparent.
- The relevant Ministry can be empowered to adopt secondary legislation to the *Law on Public Information* so as to ensure flexibility in prescribing appropriate protection measures for minors being discussed at the European level.
- *The Law on Advertising and the Broadcasting Law* should include the term audiovisual commercial communication to ensure that wherever advertising rules are relevant to audiovisual media and broadcasting programs, they would apply to such communications (e.g. Articles 5 et seq.). The advertising law should further expand on product placement rules in accordance with the AVMS Directive provided that product placement politically is a desirable option.
- A clarification in the *E-Commerce Law* that obligations addressed therein (such as for example identification obligations) also extend to providers of linear and non-linear media service.

SWOT Recommendation 1

Strength	All audiovisual media services are regulated in accordance with the EU Acquis within the context of the existing legislative framework in Serbia. The legal framework should be modified to align it with the audiovisual media services directive.
Weakness	The conditions for audiovisual services are spread out across different laws and are not easily to identify
Opportunity	Clear rules for product placement may contribute to attracting media production, thus allowing for the production of better quality
Threat	None

3.5.2 RECOMMENDATION ON MUST CARRY

Background

As “must carry” rules have significant economic consequences for cable operators⁸⁸, such obligations shall only be imposed where they are essential to meet clearly defined public interest objectives such as pluralism and diversity fairness and equal access to distribution. In particular, must-carry may be appropriate in the absence of alternative delivery mechanisms, including situations where subscribers are locked-in to a given platform⁸⁹. They shall be transparent. An appropriate remuneration for “must carry” obligations may be considered. Where remuneration is provided for, it shall be set in a proportionate and transparent manner, e.g. in ‘feed-in’ agreements.

While on analogue cable networks with a limited bouquet of program choices, it may be sufficient to ensure plurality by obliging cable operators to carry programs of public broadcasters, the situation on digitized cable networks may have to be reconsidered. Due to the big choice, carriage of public broadcasters’ programs may not be sufficient as its proportion in relation to other programs is insignificantly small. If all other cable capacities are filled with content which does not safeguard plurality (e.g. imaging a scenario where only movie channels, interactive shows were available), there is doubt that plurality is ensured. Thus the extent to which plurality between programs / used channels should be ensured may have to be considered⁹⁰.

Although these rules concern mostly cable regulation, they are best addressed in the Broadcasting Law as they focus on plurality rather than on the means of transmission (only in the latter case, the law on electronic communications may be the more appropriate place to address the issue).

Recommendation

It is recommended through regulation to ensure optimal plurality in cable distribution:

- Plurality of programs over the cable must be ensured on analogue cables as well as in of cable upgrades and digitalization.
- “Must carry” rules must be adapted to the technological development of cable, IPTV and other distribution networks.
- A fair share of non-linear content should be permitted and the cable operators adequately compensated.

⁸⁸ Refer to http://ec.europa.eu/information_society/policy/ecomm/doc/current/broadcasting/working_doc_must_carry.pdf.

⁸⁹ This impact is all the more important since competition, in particular on broadband, has moved many cable operators from “mere” radio and television markets to the “triple play”, i.e. not only into broadcasting but also in internet access and voice telephony, where they compete with internet access providers and more traditional telecommunications companies. (source: EU working paper on must carry http://ec.europa.eu/information_society/policy/ecomm/doc/current/broadcasting/working_doc_must_carry.pdf, retrieved on April 23rd 2010)

⁹⁰ During an intermediate period, there will be the need to carry both analogue and digital channels during the changeover from analogue to digital; must carry rules must be fine tuned to ensure that cable operators are not over burdened (Proportionality).

- A possible model could look like this:
 1. Consider current must carry rules sufficient as long as cable networks are not fully digitized.
 2. Reconsider must carry rules to ensure plurality not only by transmitting programs which in themselves satisfy plurality requirements (e.g. public broadcasters) but also to ensuring plurality and diversity between channels or platforms.
 3. Consider a system whereby a fair (i.e. balanced) level of fees is paid for must carry rules; such a system could include negotiations followed by mediation mechanisms.

SWOT Recommendation 2

Strength	Plurality of content disseminated over cable networks is better safeguarded in accordance with assumptions underlying the <i>EU Acquis</i> and expressed by the CoE on the role of cable in Eastern Europe
Weakness	The economic freedom of cable operators is affected.
Opportunity	Potentially more quality content over cable and the potential to disseminate more non – linear services over upgraded/digitized cable networks
Threat	Strong opposition from cable operators must be expected

3.5.3 RECOMMENDATION ON COPYRIGHT DIRECTLY PERTAINING TO MEDIA OPERATIONS

Background

Regulatory forbearance, as new rules have just been enacted and no experience exists regarding their efficiency and regarding the efficiency of their implementation. However, it is strongly recommended to encourage the implementation of institution building programs, possibly in a larger context of an IPA project on IP enforcement which is currently being prepared by the Ministry of Trade, since the recent upgrades to the copyright law in Serbia reflecting European standards and the mechanisms to establish the appropriate level of copyright royalties seem unknown to most stakeholders. All stakeholders in the field of IP should be encouraged to cooperate in copyright enforcement matters.

Recommendation

It is recommended to implement institution building programs on IP enforcement to increase knowledge on European standards in copyright royalties and to go ahead in cooperation with relevant European and worldwide acting institutions (audiovisual works producers' rights in retransmission in particular).

SWOT Recommendation 3

Strength	Stakeholders will be trained in assessing the value of copyright and how to negotiate and to determine appropriate fees
Weakness	There is no immediate improvement of the situation – progress will be market driven
Opportunity	The acceptance of copyright royalties will be improved amongst stakeholders as soon as the rationale behind copyrights and the basis for a fair level of royalties is made transparent
Threat	A potential lack of willingness of stakeholders to participate; but currently, there are no alternatives

3.5.4 RECOMMENDATION ON MEDIA LITERACY

Background

It is part of AVMS to ensure that media literacy initiatives are developed over time to ensure better media literacy amongst users. A legal basis for developing such initiatives could be included in the law of public information. Campaigns should be designed in accordance with local needs, such as awareness of consumers about the importance of copyright protection, how and where to find content legally, easily, and consumer-friendly, on understanding of the specific types and effects mechanisms of the commercial communication (such as product placement). It is necessary to reinforce media and media-pedagogic research and cooperation with the private sector. Cooperation and exchange of experience at the EU level are further supportive steps to be considered.

Recommendation

It is recommended to take initiatives to ensure better media literacy among media users.

- Media literacy initiatives should be dealt with in the *Law on Public Information*
- Campaigns on consumer awareness, copyright protection, search of information, commercial and political communication should be designed according to local needs.
- Media and media-pedagogic research and cooperation with local and European stakeholders should be encouraged.

SWOT Recommendation 4

Strength	Educational effects on advertising, on the use of copyrights, on minority issues and on other aspects of societal life will enhance the democratic process
Weakness	There are no immediate effects. It may take years for such effects to be perceivable
Opportunity	Particularly addressing young people is likely to have long term effects for future generations
Threat	Lack of funding and lack of stakeholder participation

3.6 RECOMMENDATIONS FOR PUBLIC MEDIA SUPPORT

Background

The Serbian approx 60% of public funding vs. 40% of commercial revenues (2008, 2009) for public service media corresponds to the European average proportions.

The dual system of public service media financing is in accordance with best EU practices. The existing limitations for commercial broadcasting, stipulated by law, represent an acceptable compromise of coexistence of public service and commercial broadcasting on the market, in accordance with European benchmarks.

The relative level of license fee (to GDP per capita) in Serbia is among the lowest in the European countries. However, this seems to reflect the lower prices in Serbia. Despite the fact that with growing prosperity a new basic level of fee should be discussed, there is an obvious threat in the lack of efficiency of the collection of license fees, decreasing to that level which does not allow for public service broadcasters to operate properly.

Efficiency of collection of public receiving license fees should be enhanced. This is mandatory for the survival of a fully formatted, independent, high profile public service broadcasting in Serbia.

A systematic solution in public media financing would open a sustainable way of their acting in Serbia. It requires a wide public agreement on political as well as citizen levels. If this work-in-progress project would succeed, it would create a positive example for further solutions in different fields.

Public financing of minority media run directly under the National Minority Councils should be seized in its present form and emphasis should be given to secure quality minority programmes and articles in mainstream media.

Preparation of digitalization is a complex process, comprising digitalization of contents (incl. selected archives), production, handling and distribution facilities and technologies. There has to be a fact based financial plan elaborated to foresee required injections and *ad hoc* investments, which is unlikely to be covered by license fees or commercial revenue of RTS and RTV.

The following is recommended:

3.6.1 RECOMMENDATION ON LICENSE FEES COLLECTION SYSTEM

It is recommended to establish a new system for collection of license fees ensuring close to 100 % collection

- To the extent that the energy utilities continue to collect license fees to introduce a shared database for all distribution electricity companies and the public service broadcaster as well to increase efficiency of collections (interim solution),
- To establish a Collecting Company that with public authority collects license fees in line with public utilities to minimize loss on collection costs and to maximize collection efficiency,
- To establish an independent Media Fund that in cooperation with the state administration – Ministry of Finance and Ministry of Culture – redistributes collected license fees – in accordance with recommendations for Regional and National Broadcasting as in chapters 2.1 and 2.2.
- To change rules ensuring that license fee is mandatory unless consumers can prove that they do not possess radio or TV sets, mobile phones, computers or other technical facilities able to receive radio, television, and online public service programmes. On the payment form it should be clearly stated that the money is for access to reception of media and that the collected money is allocated to the Media Fund.

SWOT Recommendation 1

Strength	These provisions could be enforced soon; they would show a quick result and generate a basis of common approach by the public service media and government toward funding. This very much in line with the EU best practices
Weakness	The solution does not automatically increase the efficiency
Opportunity	Introducing a comprehensive collection and redistribution system brings more transparency and should be motivating for the citizens to recognize public service in media being valuable for them
Threat	High complexity might be a reason for complicate political discussions

3.6.2 RECOMMENDATION ON DISTRIBUTION OF LICENSE FEES

It is recommended to expand the license fees to cover all electronic media following a public service structure and content, based on current license fee levels and roughly estimated future costs:

- RTS – 100%: 100 mill. Euros
- RTV – 33%: 33 mill. Euros
- Regional public service broadcasters – 8%: 8 mill. Euros
- Regional broadcasters' productions for RTS – 2%: 2 mill. Euros
- Civil sector media broadcasting regionally – 2%: 2 mill. Euros
- Minority media programmes – 2%: 2 mill. Euros
- Public Service Programming at commercial media – 5%: 5 mill. Euros

SWOT Recommendation 2

Strength	Optimal political and editorial independence would be obtained for national and regional civil sector and public service media as well as for minority media. Enhanced quality in commercial media would be secured
Weakness	A sustainable funding demands a well functioning collection system for license fees
Opportunity	Allocating resources from license fees makes the funding form less politicized and more supported across all media in the sector
Threat	The main threat is lack of political will to establish an efficient license fee system

3.6.3 RECOMMENDATION ON PRESS AGENCY TANJUG

Background

It is obvious, that it is not sustainable to preserve TANJUG as a state owned company for economic as well as political reasons. It could be – looking at the best practices from the EU Member States or examples from comparable CEE countries – either transformed into a public institution or into a joint stock company, whereby

media would be entitled to acquire a certain (limited) portion of stock – this is a model as identified in Germany, Austria and Denmark.

Private news agencies should – to operate economically feasible in competition to TANJUG – reshape portfolio of their services to deliver information and research in those areas, where a large national institution is typically not the most flexible one.

TANJUG should according to its re-definition and transformation focus on public service obligation, i.e. services which are not to be delivered by independent private companies (e.g. systematic national archive, regional correspondence with less marketing attraction, research engines, publications, etc.).

Recommendation

It is recommended to transform the press agency TANJUG into a non-for-profit public institution:

- An independent board of professionals and experts should be established
- Through a public procedure the board should select and appoint the executive management
- Clear distinctions should be made between services delivered as public service obligations of a clearly non-commercial nature and services provided on a market basis
- State funding should only be given to clearly defined activities of a non-commercial nature.

SWOT ON PRESS AGENCY COLLECTIVE OWNERSHIP MODEL IN SERBIA AS IN THE 3 MEMBER STATES

Strength	This represents a solution as seen in the 3 selected EU Member States, safeguarding very high level of independence from the state and economy
Weakness	The state co-funding (state aid) would be in this model questionable
Opportunity	To be in line with best journalistic traditions, truly independent, establishing fair market conditions in certain respect
Threat	This solution is very much based on traditions, maturity of the legal system, stability of business conditions and sustainable development, thus not suitable for Serbia nowadays

This SWOT analysis shows that the practice of Denmark, Germany and Austria – with their respective national press agencies with collective ownership – shows that it would not give a feasible and realistic model for Serbia.

SWOT recommendation 3

Strength	This represents a solution approaching European standards, solving the unacceptable state ownership of the institution and respective possibilities of political influence
Weakness	There still remains a connection to the state which might hide under certain conditions a way of possible abuse
Opportunity	Transformation process opens a space for re-definition of the obligations and responsibilities of this institution, with respect to the changes of information society, technologies and overall communications landscape
Threat	Ongoing discussion while competing on the market with private press agencies on fairness of product pricing

3.6.4 RECOMMENDATION ON GRANTING SCHEMES

Background

Funding of media is a rather complex and sometimes very much tradition based exercise. License fee collection for public service broadcasting is well described and a basic pillar within EU and CoE standards for dual public and commercial media structures. However, an entire set of media and services do not necessarily meet market demands and may either be abandoned or be supported directly or indirectly. Depending on the individual countries this could be the case for parts of national press agency services, minority languages media, minority media, local, niche or mainstream print media private media fulfilling public service functions, professional associations, media literacy education projects, etc.

The channels to accomplish the public media funding or co-funding on national, regional or local levels are rather heterogeneous. Following best practices in the three selected Member States an arm's length principle should be followed where possible, having independent professional bodies between the recipients and the ministries and municipalities providing the funding. The principle of arm's length reduces political influence on individual grants and strengthens the transparent criteria and decision processes.

To improve this it is recommended:

Recommendation

- To It is recommended to streamline public funding to the media sector strengthening transparent decisions and arm's length decisions: Small and continuous projects – “automatic” support (based on minimum of selective criteria,
- Large projects – selection by independent programme committees (selection and prioritization according to announced policy goals),
- Corrective aid, financial reliefs or eased conditions for media organizations that may otherwise not be able to make it on market terms – rule based criteria following detailed guidelines.

SWOT RECOMMENDATION 4

Strength	Systematic approach, widely limiting personal or group interests, respecting European best practices.
Weakness	Respective procedures take longer and decisions might be a subject of long discussions.
Opportunity	To establish a basis for an overall granting scheme to support media in Serbia in a transparent and democratic way. A decision of state administration to give away a portion of power and money in benefit of an up-to-date and EU conform solution (grant schemes selection by independent professional bodies, automatic support, etc) could convince the citizens and permanently complaining competitors on media field of straight forward ambitions of the government.
Threat	Reluctance of leaders in ministries to relinquish decision making power to delegated bodies and to accept the overall principles of arm length and minimizing of state interventions where applicable.

4 CONCLUSIONS

The current media study has analyzed the Serbian media scene and assessed the local needs compared with solutions found in Austria, Denmark and Germany. In addition, the study has also pointed to those areas where Serbia media, regulatory bodies and legislators should consider new measures in order to live up to the *EU Acquis*, the Council of Europe Recommendations and the implemented EU standards.

The legislative framework regulating the media in Serbia concerns several laws, some of which like Law on the Capital City or Law on Self Regulation do not focus on the media sector. It is strongly recommended that a stakeholder driven process overhauls the entire legislation regulating the Serbian media. Substantial technical assistance should be given to help ensure that the outcome of the process complies with the *Acquis Communautaire* and that best practices from EU Member States are considered.

For each of the six needs areas identified on the basis of extensive consultations with stakeholders the expert team has specified recommendations regarding regulatory issues and follow up activities, as well as possible solutions to policy issues.

Serbia is a country of local and regional media – of the 193 radio outlets only 30 are regional and 158 local (plus the almost 200 local pirate broadcasters); of 99 television outlets 26 are regional and 67 local broadcasting; and of 517 registered print outlets 69 are regional and 58 local. It is not rational for the public interest to have hundreds of broadcasters on their own frequencies broadcast for a full day or even 24 hours of programmes featuring local reports and international entertainment for which copyright fees seldom are paid. The digitalization of the television system through multiplexes is expected to offer more channels for distribution at national level, but consequently fewer at local level. This will encourage centralization at regional level through networking or co-sharing of the distribution channels. For radio it is still unclear when, how and if a similar digitalization will be implemented. The key challenge is to ensure that regional broadcasters with a sustainable economy deliver editorially independent and professional content that stimulates the citizens' active involvement in their community. It is crucial for all radio and TV initiatives that they produce programmes catering for minorities or small communities, thus reflecting their right to freedom of expression.

It is recommended to develop a model for regional Television and Radio in Serbia. Approximately 10-15 regional broadcasters with radio and TV should be established, transforming existing local broadcasters from private or municipal entities to non-profit independent companies. The regional broadcasters should be independent public service broadcasters with cooperation agreements with RTS to broadcast regionally in windows of no more than an hour during the evening programme on one of RTS' national channels. The financing of the regional system should change from municipal budgets to users' license fees and thereby made visible to the citizens.

It is recommended to reduce the number of broadcast licenses allocated to local television. Community television stations including minority initiatives are recommended to broadcast regionally by sharing a frequency in a regional multiplex. From the perspective of the media consumer the model of shared regional bands will provide both local and regional information. Instead of several local TV and radio stations transmitting low quality many hours a day each broadcaster would be responsible for a local news or special programme on the regional band. This model would provide opportunities for community radio and TV to develop minority and other quality programmes with public support financed through users' license fees. It is anticipated that very local TV stations will close down unless they broadcast on the Internet or in local cable networks, and very local television programmes will only appear as windows in regional programmes.

Serbia is also a country of national broadcasters with 2 public service and 6 commercial channels sharing a relatively small market.

The national **public service broadcaster** in almost all EU Member States is a dominant voice and platform in the public sphere and a crucial transmitter of national cultural heritage. Even though it is important to allow a diversity of voices to be heard in the public debate, Serbia has too many national TV-channels for the limited Serbian advertising market. This **market** is characterized by a high share of TV advertising typical for post-communist countries with less developed media markets and the subsequent arrival of Internet media. Serbian advertisement constitutes 0.5 of GDP; half of a “desired” value close to 1% of GDP such as is the current status of media markets in Germany, Denmark and Austria. For this reason the advertising market in Serbia is expected to grow despite the recent fall in 2009, which exceeded the world average, but equaled the three selected EU Member States. However, revenue from advertisement alone will be insufficient to maintain the present number of national broadcasters in the long run. Renewal of **broadcast licenses** should follow the beauty contest principle, where licenses are given according to the programme content rather than the price. The purpose of the tender is to ensure that the chosen broadcasters deliver the best possible programmes. The fee for the frequency should remain minimal to begin with and only if the media market develops in Serbia should it be considered to let the chosen broadcasters bid on pricing for the right to broadcast.

RTS should continue as an independent public service broadcaster. At present RTS follows EU standards in its mixed economy of users’ subscription fees and advertisement income but only collects approximately 49 % of its anticipated income from users’ subscription fees. An efficient collection model would diminish RTS’ need to develop a commercial profile. The private, commercial broadcasters that remain will broadcast more quality programmes of public interest, making them an alternative voice contributing to the democratic discussion in Serbia. From a commercial perspective this legislation may make the Serbian national broadcasting market less attractive to soldiers of fortune but in the future it will sustain serious commercial broadcast companies. At present almost all commercial broadcasters seem to lose money, making this an opportune moment to change the legislation concerning national licenses without harming investors unnecessarily. The implementation of digital distribution makes it possible to change the current situation where all actors are accumulating deficits to a situation with stronger public and private broadcasters.

From a rational perspective RTV’s current position is unclear. It has a comprehensive structure of 2 TV and 3 radio channels, broadcasting in the province of Vojvodina, but is under-financed, has outdated equipment, cannot report on the whole spectrum of national issues and has only a very limited part of the audience in the province. RTV should be transformed from running 5 channels to take the role of a major regional broadcaster contributing significantly to the foundation of a regional radio and TV-system in Serbia. This would boost the regional system and ensure quality productions for the national programme schedule at RTS. RTV should encourage quality of minority programmes across the public broadcasting system thus diminishing the need for separate minority media and increasing the dialogue on shared platforms. By building on its extensive experience with reporting on minorities it should further engage in collaboration with the national and regional broadcasters in neighbouring countries, and contribute to regional stability and peace.

The switch to digital broadcasting in 2012 demands and opens opportunities for correcting possible malpractices and increasing the implementation of EU standards by the **regulatory bodies**. RATEL should ensure a timely preparation of the digital switch in collaboration with RBA and the Ministries for Culture and Telecommunications

and Information Society. Furthermore, RATEL and RBA should present legislators with a solution to the piracy issues. RBA should be encouraged to establish detailed criteria for granting broadcasting licenses and establish objective criteria as to how to evaluate these criteria and how to balance them. This reduces the risk of having decisions made by the Council perceived as arbitrary by stakeholders in the media sector. The arms length's principle for decisions, recommendations and policy preparations should be encouraged by increased capacity for decisions taken on the administrative level and by sub-committees with independent experts. The recently established Press Council appears to have full independence in handling complaints and self-regulating the sector and appears to be an ideal model of self-regulation imposing generally accepted press standards. It should, however, be kept in mind that even in well established democracies Press Councils have not always fulfilled their role without involvement from the state. If this appears to be the case in the future, pragmatic solutions may have to be found.

The transition to **digital broadcasting** will have clear implications for the media landscape and require firm political decisions. Compared to many EU Member States Serbia is privileged with a high number of national frequencies for terrestrial broadcasting. The digital switch will serve as an opportunity to streamline and adjust the number of broadcasters to match the actual size of the market in Serbia. Those local television stations that do not have the capacity or desire to engage in regional broadcasting will close. Apart from passing new legislation on telecommunications, it is necessary to adopt decisions/bylaws on commercial licenses and spectrum addressing the situation following the digital switch- over, to make decisions concerning the digital dividend including technical regulation on interference, and to plan the economic model and the activities recommended in the action plan

To ensure the optimal Digital Dividend for Serbia RBA is recommended to establish an expert committee with 7-10 representatives from the media, cable, public administration, culture and industry sectors to prepare a coherent strategy and action plans for the Digital Dividend for Serbia over the next 10 years.

License fees can support broadcasting in several institutional formats that all fall within EU standards and practices. It is the national public service broadcaster as RTS, it is regional public service broadcasters as proposed in this study, it is public service programmes produced by private, commercial broadcasters, and it is minority programmes or film production for broadcasting. Instead of a variety of decentralized funding mechanisms that each of them must be equipped with protection against undue interference into editorial content the license fees should be collected nationally through a body with public authority. On top of the anticipated license fees for RTS as stipulated by law, 8 % should be provided for the system of regional public service broadcasters, 2 % for the regional system to deliver specialized programmes from the regional public service broadcasters to RTS, 5 % for grants supporting production and broadcasting of public service programmes on private, commercial broadcasters, 2 % for support to civil sector radio and television, and 2 % as support to a fund for production of quality minority programmes. Eventually all license fees could be collected by public authorities and allocated into an independent media fund or similar construction.

Municipal ownership, direct financing and appointment of management of the local media should be brought to an end and all state interventions and public media support, except license fees should be minimized. Private news agencies should reshape portfolio of their services to deliver information and research in those areas, where a "heavy" national institution is not suitable. **TANJUG** should undergo transformation into a public institution, supported by the state on basis of a contract, focusing according to its re-definition and transformation on strictly defined public services, i.e. services which are not to be delivered by independent private companies (e.g. systematic national archive, regional correspondence with less marketing attraction, research engines, publications, etc.). If acting in the area of market products competing with private press agencies, the public

recourses should not be used for these services and accounting should be transparent and pricing of products should be fair and market related.

Two problems that will need to be addressed in a long term perspective are that of **media freedom** and that of the **quality of journalism**. The number of weak media and distribution companies exceeds the capacity of the Serbian media market. Their weak economy results in low salaries to journalists. Yet the quality of reporting is often poor, largely also due to low education standards of the vast majority of journalists. In addition, media outlets are often used as a vehicle to promote specific interests. When implementing a new media structure with editorial independence for municipal and regional media it is necessary to ensure systematic education and training of journalists and media managers. With a less fragmented and financially more sustainable market journalists are also expected to receive a better salary than today and thus contribute to the democratic process in the country with integrity.

5 ANNEXES

5.1 ANNEX - ABBREVIATIONS

ANEM	Association of Independent Media
APA	Austrian News Agency
ARD	German Broadcasting Corporation
AVMS Directive	Audiovisual Media Service Directive
BKS	Federal Communications Senate (Austria)
CEE	Central and Eastern Europe
CME	Central-European Media Enterprises
CoE	Council of Europe
CTK	Czecho-Slovak News Agency (Czech News Agency)
DPA	German News Agency
DR	Danish Radio
DVB-T	Digital Video Broadcasting – Terrestrial
GIS	License Fees Collection (Austria)
GEZ	License Fees Collection (Germany)
HRT	Croatian Radio-Television
ECHR	European Convention of Human Rights
ECTT	European Convention on Transfrontier Television
EU	European Union
FERG	Act on Exclusive Television Rights (Austria)
GDP	Gross Domestic Product
HD TV	High Definition TV
IJAS	Independent Journalist Association of Serbia
IMF	International Monetary Fund
IP	Intellectual Property
IREX	International Research & Exchanges Board

ITU	International Telecommunication Union
MSI	Media Sustainability Index
NDNV	Independent Journalists' Association of Vojvodina
OFPS	Organization of Phonograph Producers in Serbia
OECD	Organization for Economic Co-operation and Development
OSCE	Organization for security and co-operation in Europe
ORF	Austrian Broadcasting Corporation
PPP	Purchasing Power Parity
RATEL	Republic Telecommunication Agency
RBA	Republic Broadcasting Agency
RTR	Regulator for Broadcasting and Telecommunications (Austria)
RTS	Serbian Broadcasting Corporation
RTV	Broadcasting Corporation of Vojvodina
RTB	Radio and Television Board (Denmark)
SBB	Serbian Broad Band
SBRA	Serbian Business Registers Agency
SITA	Slovak Information and News Agency
SOKOJ	Serbian Music Authors' Organization
STB	Set Top Box
VAT	Value Added Tax
TASR	News Agency of the Slovak republic
WEO	World Economic Outlook
ZDF	Second German Channel

5.2 ANNEX – ACQUIS COMMUNAUTAIRE AT THE EU LEVEL

ACQUIS COMMUNAUTAIRE AT THE EU LEVEL

Audio Visual Media and Services Directive

In December 2007, the EC adopted the *Audiovisual Media Service Directive* (“AVMS Directive”), which will apply to all “audiovisual media services” (that is, services providing moving images with or without sound). This includes traditional television broadcasts (termed “linear” audiovisual media services) as well as on-demand services (termed “non-linear”). Both of these services are subject to a baseline set of rules. There are particular rules on linear services and particular rules for non – linear services. In addition to jurisdictional issues, other topics such as advertising, sponsorship, product placement, teleshopping, etc. are addressed, in addition to the protection of minors and high public interest for the purpose of transmitting short news reports.

The *AVMS-Directive* also recognizes both the existence and the role of national independent regulators.

The *AVMS-Directive* also addresses provisions on the Protection of Minors.

The AVMS includes particular provisions on the protection of minors. It differentiates between linear and non-linear services. Linear services which “might seriously impair” the development of minors are prohibited (i.e. pornography or gratuitous violence). Those which might simply be “harmful” to minors can only be transmitted when it is ensured – by selecting the time of the broadcast or by any technical measure (e.g. encryption) – that minors will not normally hear or see them. Where such programmes are not encrypted, they must be preceded by an acoustic warning or made clearly identifiable throughout their duration by means of a visual symbol.

The *Audiovisual Media Services Directive* is complemented by the *1998 and 2006 Recommendations on the protection of minors and human dignity*.

By contrast, non-linear Programmes which "might seriously impair" the development of minors are allowed in on-demand services, but they may only be made available in such a way that minors will not normally hear or see them. This could be done by the use of PIN codes or other, more sophisticated age verification systems. There are no restrictions for programmes which might simply be "harmful".

The *AVMS-Directive* is the most crucial document in determining media policy at the level of media services and broadcasting. It is in many ways more specific than instruments adopted at the level of the Council of Europe and shall therefore be the main document of reference in this area. A more detailed overview of the crucial provisions of *the AVMS-Directive* is attached as an Appendix to this Annex 5.1 which also includes references to Serbian law

Media Literacy

In addition to the provisions of the *AVMS Directive* which promotes media literacy in the digital environment, the EU Commission has issued *Recommendation 2009/625/EC* on 20 August 2009 on media literacy in the digital environment for a more competitive audiovisual and content industry and an inclusive knowledge society. The Recommendation aims to increase media literacy in the digital environment in order to achieve a more competitive knowledge economy while contributing towards a more inclusive information society.

According to the recommendation, EU Member States:

- are invited to develop and implement co-regulatory initiatives leading to the adoption of codes of conduct relating to the European media.
- Are encouraged to promote and finance research, studies and projects covering the different aspects and dimensions of media literacy in the digital environment.
- are also encouraged to organise debates in conferences and public events with a view to the inclusion of media literacy in the education curriculum and as part of the provision of key competences for lifelong learning.
- should also implement national campaigns to raise public awareness of cultural heritage, as well as training to raise awareness of the risks involved in processing personal data through information and communication networks.

Moreover, the Media industry is invited to suggest tools for improving the level of media literacy, such as:

- information tools relating to digital content and search engines;
- awareness-raising campaigns about techniques used for commercial communication purposes (product placement and online advertising);
- information packs for young people on the processing of personal data;
- information days on the creative economy and copyright.

Public Broadcasting, its financing and State Aid

Public Service Broadcasters are broadcasters with a public mission. EU Member States are free to define the scope of that mission. Such a mandate would be consistent with the objective of fulfilling the democratic, social and cultural needs of a particular society and guaranteeing pluralism, including cultural and linguistic diversity.

Public broadcasters benefit from fees or from direct state funding. The *Protocol on the System of public broadcasting in the Member States* addresses the EU Commission's task is to verify whether or not Member States respect the Treaty provisions, especially the State Aid rules in this area. In its *Communication Commission on the application of State aid rules to Public Service Broadcasting* from 2001, the EU Commission outlines its policy in this area. It adopted a *revised Communication* on 2 July 2009. The new Communication has sharpened the focus on accountability and effective control at national level by including a transparent evaluation of the overall impact of publicly-funded new media services. The main changes include: ex ante review of significant new services launched by public service broadcasters, balancing the market impact of such new services with their public value being a key feature; clarifications concerning the inclusion of pay services within the public service remit; more effective control of overcompensation and enhanced supervision of the public service mission at the national level.

While in the EU Commission takes the firm view that the financing of public broadcasters through license fees constitutes a form of state aid, the jurisprudence of the European Courts is less clear on this matter; this question has not yet finally been resolved, as the jurisprudence of the European Courts point into different directions without explicitly addressing the question. Further, the Court of First instance stated that the scope of the public mission must not be confused with the way the public mission is financed. It concluded that the Member States were allowed to define public services

of general economic interest broadly and quality related, so that programming can be diverse and also include parts financed by advertising.

A more detailed outline of the current state of competition policy in the field is attached as Appendix 2 to this Annex 1.1.C.

Spectrum Regulation

According to the Framework and Authorisation Directives on electronic communications, there are four main areas of activity in *EU radio spectrum policy*:

- The identification of needs for spectrum coordination at EU level – including the monitoring of a wide range of EU policy areas which depend on radio spectrum, such as electronic communications, transport and research.
- Initiating harmonisation of spectrum usage in individual bands across Europe where necessary.
- The establishment of policy priorities in cases where there is conflict between different requests for spectrum use.
- Setting the regulatory environment for access to radio spectrum, with the aim of easier and more flexible access by public and private users.

The allocation and management of radio spectrum in the European Union is administered by national administrations, as radio spectrum remains principally the responsibility of Member States. However, the European Commission ensure that the use and management of radio spectrum in the EU reflects relevant EU policies goals. The 2009 Review of the Regulatory Framework for Electronic Communications has led to a new instrument in the area of *Radio Spectrum Policy*. According to the revised *Framework Directive*, the Commission may submit legislative proposals to the European Parliament and Council for establishing multi-annual Radio Spectrum Policy Programmes (RSPP).

Copyright

Council Directive 93/83/EEC of 27 September 1993 addresses issues relating to the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission.

The satellite broadcasting of copyright works requires the authorisation of the rightholder. The right may be acquired from the rightholder only by agreement. Performers are granted an exclusive right to:

- broadcast live performances by satellite;
- fix (record) an unfixed performance;
- reproduce a fixation of a performance.

Where a phonogram is used for a satellite broadcast, an equitable remuneration is to be paid to the performers, or to the producers of phonograms, or to both. Broadcasting organizations have exclusive rights over the retransmission, fixation and reproduction of fixations of their broadcasts. Limits may be imposed on the right to authorise or prohibit broadcasting, for example in the case of private use or the use of short excerpts in connection with the reporting of current events. Member States may establish more far-reaching protection than that required by the Directive.

Cable retransmission of broadcasts is governed by copyright and related rights in the Member States and by agreements between copyright owners, holders of related rights and cable operators. These rights to authorise or prohibit the cable retransmission of a broadcast are exercised through a collecting society, except where they are exercised by a broadcasting organization in respect of its own transmissions.

CRUCIAL PROVISIONS OF THE AVMS – DIRECTIVE

Background

Since the adoption of the *Television without Frontiers Directive (TVwF)* in 1989, the market for European television services has changed dramatically through the convergence of technologies and markets. Competition between classic linear and new, on-demand, non-linear services did not have a regulated playing field. Technological and market developments made it necessary to amend the audiovisual regulatory framework. Hence, it was revised in 1997 and 2007⁹¹. With the last revision, the Directive was renamed *Audiovisual Media Services Directive (AVMSD)* and then codified in 2010.

The *Electronic Commerce Directive 2001/31/EC*⁹² already regulates aspects regarding non-linear services, but mainly restricts itself to certain aspects such as those in the jurisdictional field and aspects relating to provider responsibility.

*Directive 2010/13/EU*⁹³ of the European Parliament and the Council of 10 March 2010 *Audio Visual Media Services Directive – AVMS-Directive*) lays down provisions on audio visual media service. It honors the principles of the Council of Europe in the field of Audio-Visual.

This Annex provides an overview of the most relevant issues addressed in the *AVMS-Directive*, on the extent to which these issues are not addressed in Serbian legislation.

1. Distinction between linear and non-linear services

1.1 The AVMS – Directive

The AVMS-Directive defines linear services under the term ‘television broadcasting’ as:

a linear audiovisual media service where a media service provider decides upon the moment in time when a specific program is transmitted and establishes the program schedule.

The AVMS Directive defines non-linear services separately as:

⁹¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32007L0065:EN:NOT>.

⁹² <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32000L0031:EN:HTML>.

⁹³ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32010L0013:EN:NOT>.

an audiovisual media service where the user decides upon the moment in time when a specific program is transmitted on the basis of a choice of content selected by the media service provider

The AVMS directive provides a rigorous distinction between linear and non-linear services. The main criterion for the distinction is the entity which decides upon the content and the moment of its transmission:

- c) The entity is the service provider => linear services
- d) The entity is the user => non-linear services

The AVMS Directive does not govern on-line, non commercial, audiovisual content, nor audiovisual content transmitted for sharing purposes such as You Tube.

For example, IPTV services should either linear or non-linear, depending on whether they are interactive (on demand) or not.

1.2 Serbia

None of the media specific laws in Serbia has introduced the distinction between non – linear services.

2. Rules for linear services – General Principles

2.1 The *country of origin* principle

2.1.1 AVMS DIRECTIVE

The principles have 2 components:

- Each Member State is responsible for the audiovisual media services on its territory;
- Each Member State shall ensure freedom of reception and shall not restrict retransmissions on their territory of audiovisual media services from other Member States.

Thus, whatever is legally transmitted from one member cannot be blocked for reception in another member state.

This principle, formerly related only to broadcastings (linear services), is **now governing the entire audio visual services sector** (both linear and non-linear services).

2.1.2 Serbia

The principle does not appear to be addressed in relation to audiovisual media services.

2.2 The *programming quotas* principle

2.2.1 AVMS – Directive

This principle assures that broadcasters

- reserve a majority proportion of their transmission time to European works
- that broadcasters reserve at least 10 % of their transmission time and
- at least 10 % of their programming budget, for European works –

The European Works mainly extend to

- *works originating from Member States;*
- *works originating from European third States party to the European Convention on Transfrontier Television of the Council of Europe and fulfilling the conditions of paragraph 2;*
- *works co-produced in the framework of agreements related to the audiovisual sector concluded between the European Community and third countries and fulfilling the conditions defined within each of these agreements.*

2.3 The *protection of pluralism principle*⁹⁴

2.3.1 AVMS – Directive

This principle limits the possibility of exclusive broadcasting to avoid that:

- important televised events are inaccessible to the large public;
- the public in another Member State is deprived of the possibility of following events which are designated by that other Member State;

The provision now applies to **all media services**, including non-linear services.

A new rule has been added, instituting the obligation to ensure access on a fair, reasonable and non-discriminatory basis to events of high interest in short news reports.

2.3.2 Serbia

This principle is addressed in *Article 71 of the Broadcasting Law*. It does not appear to extend to all audiovisual media.

3. Common Rules for Linear and Non – Linear Services

Another set of rules governs both linear and non-linear services. However, there is a difference in regulatory approach on commercial communications and on the protection of minors, in the sense that separate, special rules for linear services are regulated in a different chapter.

⁹⁴ *Member States shall ensure, by appropriate means, within the framework of their legislation that broadcasters under their jurisdiction do not exercise the exclusive rights purchased by those broadcasters following the date of publication of this Directive in such a way that a substantial proportion of the public in another Member State is deprived of the possibility of following events which are designated by that other Member State in accordance with the preceding paragraphs via whole or partial live coverage or, where necessary or appropriate for objective reasons in the public interest, whole or partial deferred coverage on free television as determined by that other Member.*

3.1 Identification Information

3.1.1 AVMS-Directive

Audio visual media services must make accessible at least the following information easily, directly and permanently accessible to the recipients of the service:

- the name of the media service provider;
- the geographic address at which the media service provider is established;
- the details of the media service provider, including his electronic mail address or website, which allow him to be contacted rapidly in a direct and effective manner;
- where applicable, the competent regulatory authority.

3.1.2 Serbia

In Serbia, this principle is addressed in *Article 69 of the Broadcasting Law* for broadcasters. *The E-Commerce Law* imposes editorial information obligations on providers of e-commerce services which largely correspond with those in the *AVMS Directive*. Thus, commercial providers of media services should also be obliged to adhere to these principles. However, a distinction between commercial and non – commercial offers seems to lack.

3.2 Protection of minors

3.2.1 AVMS - Directive

Programmes which "might seriously impair" the development of minors are allowed in on-demand services, but they may only be made available in such a way that minors will not normally hear or see them. This could be done by the use of PIN codes or other, more sophisticated age verification systems. There are no restrictions for programmes which might simply be "harmful". The applicability of rules on protection of minors⁹⁵ extends to all media services (linear and non-linear). (More specific rules regarding the protection of minors are included in the provisions addressing broadcasting and commercial communications and advertising which pertain mainly to linear services.)

⁹⁵ *Member States shall take appropriate measures to ensure that audiovisual media services under their jurisdiction are not made available in such a way that might seriously impair the physical, mental or moral development of minors.*

3.2.2 Serbia

The principle is addressed by *Article 41 of the Law on Public Information* which addresses media outlets. However:

- access restrictions which would serve to ensure that minors are not seriously impaired by harmful content do not seem to be addressed;
- linear and non-linear media services are not explicitly or only partly (internet services of other media) defined in Article 11 of said law as media outlets. They might however, fall under the category of ‘other public information media’ addressed in that provision.

3.2 Protection against incitement to hatred

3.2.1 AVMS – Directive

Member States shall ensure by appropriate means that audiovisual media services and audiovisual commercial communications provided by providers under their jurisdiction do not contain any incitement to hatred based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

3.2.2 Serbia

Article 38 of the Law on Public Information addresses the issue for all media outlets.

4. Audiovisual Commercial Communications⁹⁶

Rules for commercial communications, sponsorships and product placement apply to non-linear content. They also apply linear content, but only insofar as more specific rules on television advertising do not derogate.

⁹⁶ *‘Audiovisual commercial communication’ means moving images with or without sound which accompany audiovisual media services and are designed to promote, directly or indirectly, the goods, services or image of a natural or legal entity pursuing an economic activity*

4.1 Terminology

4.1.1 AVMS Directive

The term audiovisual commercial communication is introduced by the AVMS Directive.

4.1.2 Serbia

Serbian law does not use this terminology.

4.2 Identification

4.2.1 AVMS DIRECTIVE

Audiovisual commercial communications must be clearly identifiable as such. Surreptitious audiovisual commercial communication shall be prohibited.

4.2.2 Serbia

Article 5 of *the Law on Advertising* addresses this issue. It does however, not explicitly refer to audiovisual commercial communication.

4.3 Ban on subliminal techniques

4.3.1 AVMS Directive

Audiovisual commercial communications must not use subliminal techniques.

4.3.2 Serbia

Article 5 of the Law on Advertising addresses the issue.

4.4 Public order interdictions

4.4.1 AVMS DIRECTIVE

Audiovisual commercial communications must not:

- include any discrimination on grounds of race, sex, or nationality;
- be offensive to religious or political beliefs;
- encourage behaviour prejudicial to health or to safety;
- encourage behaviour prejudicial to the protection of the environment.

4.4.2 Serbia

The above referenced public order requirements are addressed in *Article 7 et. Seq. of the Law on Advertising*.

Tobacco advertising ban

4.4.3 AVMS-Directive

All forms of audiovisual commercial communications and teleshopping for cigarettes and other tobacco products shall be prohibited.

4.4.4 Serbia

Article 64 of the Law on Advertising addresses the issue.

4.5 Alcohol advertising rules

4.5.1 AVMS Directive

Audiovisual commercial communications for alcoholic beverages must not be aimed at minors and may not encourage immoderate consumption of such beverages.

4.5.2 Serbia

Article 68 of the Law on Advertising addresses the issue.

4.6 Protection of minors

4.6.1 AVMS Directive

Audiovisual commercial communications must;

- not cause moral or physical detriment to minors,
- not directly exhort minors to buy a product or service by exploiting their inexperience or credulity,
- directly encourage them to persuade their parents or others to purchase the goods or services being advertised,
- exploit the special trust minors place in parents, teachers or other persons, or
- unreasonably show minors in dangerous situations.

4.6.2 Serbia

Articles 79 – 81 of the Law on Advertising address the issue. However, most of the provisions are limited to advertising intended for minors, while the scope of the *AVMS-Directive* seems broader.

4.7 Sponsorship Rules

4.7.1 AVMS Directive

‘Sponsorship’ is defined as any contribution made by a public or private undertaking not engaged in providing audiovisual media services or in the production of audio-visual works, to the financing of audiovisual media services, with a view to promoting its name, its trade mark, its image, its activities or its products

- News and current affairs shall not be sponsored
- Sponsorships shall be permitted as long as it meets the following requirements:
 - Editorial independence
 - Explicit encouragement ban⁹⁷
 - Identification rules⁹⁸
 - Tobacco related rules⁹⁹

⁹⁷ Product placement nor sponsorship should directly encourage the purchase or rental of goods or services, in particular, make special promotional references to those goods or services

⁹⁸ Viewers must be clearly informed of the existence of a **sponsorship** agreement. **Sponsored** program must be clearly identified as such by the name, logo and/or any other symbol of the sponsor such as a reference to its product(s) or service(s) or a distinctive sign thereof in a appropriate way for program at the beginning, during and/or the end of the program.

⁹⁹ Interdiction for **sponsorships** from undertakings whose principal activity is the manufacture or sale of cigarettes and other tobacco products.

- Medicine related rules¹⁰⁰

4.7.2 Serbia

Articles 94 – 99 of the Law on Advertising reflect the sponsorship rules of the AVMS – Directive.

4.8 Product Placement Rules

4.8.1 AVMS-Directive

The adoption of the new *AVMS Directive* will represent the end of the current ban on product placement which exists in most EU countries.

‘product placement’ is defined as any form of audiovisual commercial communication consisting of the inclusion of or reference to a product, a service or the trade mark thereof so that it is featured within audiovisual media services, normally in return for payment or for similar consideration.

It is considered that the permission of product placement should help the European audiovisual industry to become more competitive, especially vis-à-vis the USA.

Product placement is still prohibited as a general rule, but there are two important exceptions which allow for product placement:

- movies, series, entertainment and sports programmes (those not aimed at children);
- in cases where no payment is made, but certain foods are merely presented free of charge.

¹⁰⁰ The **sponsorship** of audiovisual media services by undertakings whose activities include the manufacture or sale of medicinal products and medical treatment may promote the name or the image of the undertaking. Such sponsorships may not promote specific medicinal products or medical treatments available only on prescription in the Member State within whose jurisdiction the media service provider falls.

There are, nevertheless, some absolute prohibitions on product placement:

- **News and current affairs shall not** contain product placement.
- Audiovisual media services for children and documentaries may not contain product placement.

Product placement shall be permitted as long as it meets the following requirements

- **Editorial independence**¹⁰¹
- **Explicit encouragement ban**¹⁰²
- **Identification rules**¹⁰³
- **Tobacco related rules**¹⁰⁴
- **Medicine related rules**¹⁰⁵

The provisions will only apply for programs produced after the date of official directive adoption.

9.1.2 Serbia

The Law does not seem to specifically address product placement.

¹⁰¹ The scheduling and the content of the audiovisual media services should not be influenced as to affect the responsibility and editorial independence of the media service provider.

¹⁰² Product placement must not directly encourage the purchase or rental of goods or services, in particular, make special promotional references to those goods or services. Programs shall not give undue prominence to the product in question.

¹⁰³ Viewers shall be informed of the existence of product placement. *Viewers shall be informed of the existence of product placement. Programmes containing product placement shall be appropriately identified at the start and the end of the programme, and when a programme resumes after an advertising break, in order to avoid any confusion on the part of the viewer.*

¹⁰⁴ Interdiction for product placement to contain tobacco products or cigarettes or product placement from undertakings whose principal activity is the manufacture or sale of cigarettes and other tobacco products.

¹⁰⁵ Interdiction for product placement to contain specific medicinal products or medical treatments available only on prescription in the Member State within whose jurisdiction the media service provider falls.

5. Advertising, Teleshopping and Sponsorship Rules for TV Broadcasting

5.1 Presentation Rules

5.1.1 AVMS-Directive

The general rule is that television advertising and teleshopping shall be **readily recognizable** and kept **quite separate** from other parts of the program service by optical and/or acoustic means.

A new paragraph shows that isolated advertising and teleshopping spots, other than in sports programs, shall remain the exception, thus instituting an exception from the general rule, in the case of sports programs.

5.1.2 Serbia

The presentation principles are reflected in *Article 5 of the Law on Advertising*.

5.2 Program Integrity

5.2.1 AVMS Directive

The integrity of the programs must be protected, taking into account natural breaks, the duration and the nature of the program, and that the rights of the right holders must not be prejudiced.

5.2.2 Serbia

Program integrity rules are addressed in *Article 17 of the Law on Advertising*.

5.3 Insertion Rules

5.3.1 AVMS Directive

- Advertising breaks are permitted both in between and during programs

- Advertising breaks are permitted every **30 minutes**
- No interruptions shall be accepted for programs with less than a 30 minute duration

5.3.2 Serbia

The requirements are addressed in *Articles 14 – 19 of the Law on Advertising*.

5.4 Alcohol related advertising

5.4.1 AVMS Directive

Such advertising is permitted, provided it complies with a specific set of rules:

- it must not be aimed specifically at minors or, in particular, depict minors consuming these beverages;
- it shall not link the consumption of alcohol to enhanced physical performance or to driving;
- it shall not create the impression that the consumption of alcohol contributes towards social or sexual success;
- it shall not claim that alcohol has therapeutic qualities or that it is a stimulant, a sedative or a means of resolving personal conflicts;
- it shall not encourage immoderate consumption of alcohol or present abstinence or moderation in a negative light;
- it shall not place emphasis on high alcoholic content as being a positive quality of the beverages.

5.4.2 Serbia

Article 68 et. Seq. of the Law on Advertising address the issue by prohibiting alcohol advertising, save for certain exceptions.

5.5 Time regulations

5.5.1 AVMS Directive

The only provision maintained is that there is a **20% / hour limit** on short forms of advertising, which means there may not be more than 12 minutes of advertising each hour.

5.5.2 Serbia

Time regulation is reflected in *Article 15 of the Law on Advertising*.

6. Other rules on Broadcasting

Governments and the Commission must encourage media service providers to develop codes of conduct on issues such as curtailing advertising on unhealthy food and drinks in children programs. Not only television broadcasters but also on-demand audiovisual media services must promote European works. This promotion should be done directly or indirectly through financial means and must convene with the platform that provides the service and its nature (e.g. IPTV on-demand certain proportion of European works in catalogue).

In Serbia, these issues are mostly addressed in the *Law on Advertising*.

5.2.2 APPENDIX 2 TO ANNEX 5.2 PUBLIC FINANCING OF PUBLIC SERVICE BROADCASTERS AND STATE AID RULES

PUBLIC FINANCING OF PUBLIC SERVICE BROADCASTERS AND STATE AID RULES

European public service broadcasters receive more than €22 billion annually from licence fees or direct government aid, placing them in third place, after agriculture and transport companies, among recipients of state aid.

The Protocol to the Treaty of Amsterdam clarifies that national public service broadcasting systems are directly related to the democratic, social and cultural needs of society. It guarantees Member States' right to fund public service broadcasting insofar as such funding is granted for the fulfillment of a public service remit as conferred, defined and organised by each Member State, and insofar as such funding does not unduly affect trade and competition in the EU¹⁰⁶.

To clarify its understanding of this Protocol, the Commission first adopted a *Communication on the application of state aid rules to public service broadcasting* in 2001.

The EU Commission's 2001 Communication adopts the following approach:

The Commission recognises the particular role of public service broadcasting as acknowledged by the *Protocol to the Amsterdam Treaty* in the promotion of democratic, social and cultural needs of each society.

The Commission is competent for control on State aid. Public broadcasting can be defined as a service of general interest, but its funding by state resources in general remains State aid.

¹⁰⁶ The Amsterdam protocol defines the "public service remit as conferred, defined and organised by each Member State" and provides a derogation to Treaty rules for funding of public service broadcasting "in so far as such funding is granted to broadcasting organisations for the fulfilment of the public service remit...and ...does not affect trading conditions and competition in the Community to an extent which would be contrary to the common interest, while the realisation of the remit of that public service shall be taken into account".

Member States are free to define as public service remit a broad programme spectrum such as providing the public with a balanced and varied programming that also includes, for instance, entertainment and sport.

However, the public service remit could not extend to activities that could not be reasonably considered to meet in the wording of the Protocol on the "*democratic, social and cultural needs of each society*".

Based on *Article 107 TFEU (initially Article 86 EC Treaty)*, the Commission requires that the following conditions be met:

- The establishment of a clear and precise definition of public service in broadcasting (whatever its content);
- The formal entrustment of the public service mission to one or more undertakings by means of an official act.
- It is desirable that a body or authority of the Member State independent from the entrusted undertaking(s) monitor the fulfillment of the public mission;
- The limitation of public funding to what is necessary for the fulfillment of the public service mission (proportionality).

In carrying out the proportionality test, the Commission will in particular consider whether any distortion of competition arising from the aid can or cannot be justified with the need to perform the public service as defined by the Member State and to provide for its funding.

Finally, the Communication recalls that public service broadcasters in so far as they are beneficiaries of State aid and are also active in non-public service activities must comply with the requirements under the so-called "*Transparency Directive*". The Directive imposes the separation of accounts between public service and non-public service activities: the present Communication specifies the criteria to be followed by broadcasting operators.

In July 2009, the EU Commission has adopted a number of changes and amendments to the above principles in an additional Communication. These are in particular are:

- the *ex ante* control of significant new services launched by public service broadcasters (balancing the market impact of such new services with their public value);
- clarifications concerning the inclusion of pay services in the public service remit;

- more effective control of overcompensation and supervision of the public service mission on the national level;
- increased financial flexibility for public service broadcasters.

The Communication is designed to ensure high quality public broadcasting services on a variety of platforms, ranging from the internet to screens in public places. Moreover, European citizens and stakeholders will be able to give their views in public consultations before any new services are put on the market by public service broadcasters. The new Communication seeks to ensure a more accountable, transparent and proportionate use of public funding in this sector.

The Commission adopted a number of decisions in relation to cases in Germany, Denmark and Austria.

In 2005, the EU Commission had to deal with a complaint of a German association of private broadcasters regarding the contribution in Germany. Issues at stake were an alleged lack of transparency in distribution, online offers of public broadcasters and the selling of sports events. In 2007, the case was settled, although Germany retained the position that funding public broadcasters from a contribution paid by the audience did not constitute state aid. The Commission requested a clear definition of the mission of 'Comprehensive Coverage', separate accounting for commercial and public mission programming, and other measures to prevent cross subsidizing. Although the question whether the license fee was a subsidy remained under discussion to date, the matter was settled, as Germany made major commitments:

- The extent to which additional digital channels and online offers serve public interest must be specified; online offers must be limited to 'journalistic editorial offers', which must be specified on a regular basis (e-commerce, sponsoring, advertising as well as a comprehensive local coverage are unlikely to be part of the public on – line mission);
- In relation to online offers, there will be a 3-step test for new or modified services which is similar to the BBC's public value test, although less economically oriented;
 - Is the offer part of the public mission
 - To which extent will the service contribute to the quality of publicist competition (Germany has subsequently foreseen the possibility of independent expert assistance to the broadcasting regulator in relation to this point);
 - Which financial burden does the service involve
- The broadcaster launches a public hearing and decides on the basis of the comments and of an independent expertise whether the three criteria test is met.

- The regulator decides whether the program is compatible with the public mission.

Subsequently, in 2008 there have been indications from the European Court of First Instance (CFI) that in principle, license fees are to be considered as state aid, but that they would not be subject to the EU-wide state aid regime (national laws would apply).

On 31 January 2008 the Commission informed Austria of its preliminary concerns that the financing of ORF by means of programme fees was incompatible with EC Treaty state aid rules. The Commission's main concerns were the unclear definition of the public service remit, in particular for online activities and sports programmes, and the lack of adequate supervision for the public service mandate. Furthermore, no adequate mechanisms were in place to prevent overcompensation (and so potential cross-subsidies of activities outside ORF's public service remit) and to ensure that ORF carried out its commercial activities in line with market principles. Thus, Austria is requested to clarify the public service remit will be clarified by additional criteria for new media activities. Austria will create a new media authority charged with supervising the remit of ORF. ORF will have to submit proposals for new media services to this independent media authority, which will have to launch a public consultation to test the added value of the proposals for Austrian society and their market impact, giving citizens and stakeholders the opportunity to comment on ORF's plans for new media offers. Further, the financing of ORF will be limited to what is strictly necessary for the fulfillment of its public service tasks, including an effective ex post control of possible overcompensation. ORF's commercial activities will be clearly separated from the provision of public service activities. The newly created media authority will not only supervise ORF's compliance with the public service mandate but also ensure that ORF is not unduly overcompensated for the cost of providing its public service activities. ORF will be obliged to sublicense unused sport rights to third parties and the programming of ORF Sport Plus will in future focus on minority sports of interest to Austrians. ORF's planned new special interest channels for information and culture will be subject to prior public consultation on their added value and their potential market impact. The programming of the existing TV channels ORF1 and ORF2 will be subject to an ongoing internal quality control procedure and complaints can be lodged with the new media authority. ORF may launch new online services before all appropriate measures are formally implemented, subject to the condition that such offers are not commercially exploited before the new media authority has tested their public value and market impact. This solution will in particular apply to the planned new "ORF TV-THEK" which will offer downloads for ORF's own TV and radio productions.

In Denmark, the scope of the public service mission was widely defined as services of general economic interest. The European Commission did not agree with the definition, as it encompassed also advertising financed content.

Although there is precedent in the form of decision of the EU Commission, there is a number of 'open issues', namely whether contributions/subscription fees are state aid (or only contributions directly from the state budget), and how broadly public missions can be defined.

There is a substantive body of case law at the level of the European Courts which touches upon these issues. In the Danish case (T-309/04; 329/04, 336/04), the Court of First Instance (CFI) has referred to a judgment of the European Court of Justice (155/73 – Sacchi) where the court acknowledged the right to define public services of general economic interest within the meaning of a full public service broadcasting program. The CFI saw this conclusion confirmed by the *Amsterdam Protocol*. It went on to state that the scope of the public mission must not be confused with the way the public mission is financed. It concluded that the Member States were allowed to define public services of general economic interest broadly and quality related, so that programming can be diverse and also include parts financed by advertising. Thus, the commitments made by Germany in the above referenced case may be stricter than required by the subsequent precedent of the CFI.

The question whether financing by a subscription fee / contribution constitutes state aid is not finally resolved. Some judgments of the Court of Justice seem to indicate that this may not be the case as the contribution does not come from the state budget (indications in the 'Preussen Electra' and Ferring / Acoos cases 2001, and in the Altmark case from 2003). By contrast, a more recent decision on public procurement from 2007 seem to point in the opposite direction, arguing that the subscription fee / contribution is based on a state procedure, thus making the public broadcaster a public entity within the meaning of procurement rules.

5.3 ANNEX – RELEVANT ACTIVITIES AND DOCUMENTS OF COUNCIL OF EUROPE

The main challenges addressed by the Council of Europe are:

- defending and maintaining its fundamental principles in new environments
- promoting freedom of expression in the complex context of the new communications services

In this respect, the Council established the Steering Committee on Media and New Communication Services (CDMC).

At the level of the Council of Europe, we have more particularly into account legal instruments, including the following:

The most important instrument promoted by the Council of Europe is the *European Convention on Transfrontier Television (ECTT)*, adopted in 1989 (entered into force in 1993) and amended in 2002. *The ECTT* provides minimum common rules, in fields such as freedom of expression, programming, advertising, sponsorship and the protection of certain individual rights. It entrusts the transmitting States with the task of ensuring that television programme services transmitted comply with its provisions. In return, freedom of reception of programme services is guaranteed as well as the retransmission of the programme services which comply with the minimum rules of the Convention. This document is currently under revision, the main goal being to adapt it to the new realities of the industry.

Council of Europe standards in the field of media can also be identified in *Recommendations of the Parliamentary Assembly* as well as from *Declarations of the Committee of Ministers*.

The Study Team believes that from the CoE standards, the following are equally of relevance to the Study:

In its *Declaration on the freedom of expression and information* of April 29th 1982, the Council reaffirmed that media pluralism and diversity of media content are essential for the functioning of a democratic society and are the corollaries of the fundamental right to freedom of expression and information as guaranteed by Article 10 of the *Convention for the Protection of Human Rights and Fundamental Freedoms*.

In its *Recommendation on media pluralism and diversity of media content* (2007), the Committee of Ministers calls on member states to encourage the development of different types of media, including community, local, minority or social media, capable of making a contribution to pluralism and diversity.

In its *Declaration on protecting the role of the media in democracy in the context of media concentration*, the Committee of Ministers, stresses that policies designed to encourage the development of not-for-profit media can be another way to promote a diversity of autonomous channels for the dissemination of information and expression of opinion, especially for and by social groups on which mainstream media rarely concentrate

The *European Charter for Regional or Minority Languages* underlines the obligation of the parties to ensure, facilitate or encourage the creation of media outlets in regional or minority languages.

More recently, the Committee of Ministers adopted a *Declaration on the role of community media in promoting social cohesion and intercultural dialogue* (February 2009). This document recognizes community media as a distinct media sector, alongside public service and private commercial media and addresses related spectrum issues.

In its *Recommendation on cable networks and local television stations*, the Parliamentary Assembly notes amongst other issues that the development of cable networks, satellite broadcasts and local television stations can foster democracy in the countries of central and Eastern Europe. The Recommendation called on helping the countries of central and eastern Europe to frame their national legislation on copyright and neighbouring rights, considering that the introduction in each country of structures for collecting and distributing the royalties accruing from these rights would boost the creation of national or local productions and develop employment in this sector.

In its *Resolution on the situation of local radio in Europe*, the Parliamentary Assembly stressed that local radio is an ideal potential means of fostering freedom of expression and information, the development of culture, the freedom to form and confront opinions, and active participation in local life, provided however that there was no disorderly proliferation of local radio stations and that objectiveness and plurality was ensured. Financing should be diversified.

The Council of Europe dedicates significant attention to standards regarding the organization and functioning of public service media. In terms of commercial media, the attention is mostly focused on content regulatory policy as well as on media concentrations:

In the 2004 *Recommendation on Public service broadcasting*, the Parliamentary Assembly stressed that such services are under threat by political and economic interests, by increasing competition from commercial media, by media concentrations and by financial difficulties. It is also faced with the challenge of adapting to globalisation and the new technologies. It recognizes that the merit of public services is to operate independently of those holding economic and political power. The same document underlines that the coexistence of public and commercial media has largely contributed to innovating and diversifying the supply of content and has had a positive impact on quality. It also urges that the situation concerning public service broadcasting financing be further clarified following jurisprudence of the European Courts

For such reasons, the Assembly encourages Member States to define an appropriate legal, institutional and financial framework for the functioning of public service broadcasting. In this respect, the Group of Specialists on Public Service Media in the Information Society issued in 2008 a *Report on how member states should ensure legal, financial, technical and other appropriate conditions required to enable public service media to discharge their remit*. For instance, a Recommendation was made to design education and training programmes, adapted to the digital media environment, for journalists.

In 2007, the Committee of Ministers adopted a *Recommendation on measures to promote the public service value of the internet*.

The Committee of Ministers adopted in 2008 a *Declaration on the independence and functions of regulatory authorities for the broadcasting sector*. It outlines the principles of effectiveness, transparency and accountability of independent broadcasting regulatory authorities.

The conclusions of the *Regional seminar on the program-monitoring functions of national regulatory authorities emphasized* that broadcasting regulatory authorities should have adequate and proportionate powers enabling them to ensure access to networks and services, set standards, promote quality and ensure a healthy, technologically up-to-date industry. Regulatory authorities should be closely involved in the development and implementation of national audiovisual and broadcasting policies and legislation.

In 2003, the Committee of Ministers adopted a *Recommendation on measures to promote the democratic and social contribution of digital broadcasting*. The Committee stresses the particular importance of respecting the principles of the *Recommendation on measures to promote media pluralist*, in particular those concerning media ownership rules, access to platforms and diversity of content.

In 2008, The Committee of Ministers adopted a *Declaration on the allocation and management of the digital dividend and the public interest*.

In 2002, the Committee of Ministers issued in the field of copyrights a *Recommendation on measures to enhance the protection of the neighbouring rights of broadcasting organizations*. This document lists a set of rights that should be granted to broadcasting organizations in order to increase the level of protection of the neighbouring rights. The recommendation also refers to providing adequate legal protection and effective legal remedies against the circumvention of effective technological measures which are used by broadcasting organisations in connection with the exercise of their neighbouring rights and against the unauthorized removal or alteration of electronic rights management information.

In 2001, the Committee of Ministers issued a *Recommendation on Measures to Protect Copyright and Neighbouring Rights and Combat Piracy, Especially in the Digital Environment* which raises concern about the impact that new media technology has had on intellectual property rights.

The Council of Europe has been quite active in promoting standards for the development of new media, particularly with regards to the cyberspace.

In 2008, The Council of Europe together with the European Internet Services Providers Association (EuroISPA) published two important guideline documents

- *The Human Rights guidelines for Internet service providers* stresses the importance of users' safety and their right to privacy and freedom of expression and, in this connection, the importance for the providers to be aware of the human rights impact that their activities can have
- *The Human Rights guidelines for online games providers* stresses the importance of gamers safety and their right to privacy and freedom of expression and, in this connection, the importance for the games industry to be aware of the human rights impact that games can have

The *Recommendation of the Committee of Ministers for the protection of privacy on the internet* offers guidelines for the protection of individuals with regard to the collection and processing of personal data on information highways which may be incorporated in or annexed to codes of conduct.

The *Declaration of the Committee of Ministers on freedom of communication on the internet* elaborates on the principle of limited liability of service providers for Internet content, depending on their function in the value chain.

The *Recommendation of the Committee of Ministers to member states on measures to promote the respect for freedom of expression and information with regard to Internet filters* notes that the voluntary and responsible use of Internet filters products, systems and measures to block or filter Internet content) can promote confidence and security on the Internet for users, in particular children and young people, while also aware that the use of such filters can impact on the right to freedom of expression and information, as protected by *Article 10 of the European Convention on Human Rights*.

5.4 ANNEX – MARKET REGULATING POLICIES

The policies of **regulating the market** deal with *transmission (the pipes)* and the *content (what is transmitted through them)*.

Regulations of transmission:

- A new **electronic communications regulatory framework** that covers the management of scarce resources essential to communications.
- EU's new **radio spectrum policy** that focuses on communications networks and service. The radio spectrum policy covers *all* areas where spectrum is an issue, including mobile telephony , television broadcasting, satellite positioning systems and scientific research.
- EU's **Radio Equipment and Telecommunications Terminal Equipment (RTTE) Directive**, regulates the telecommunications equipment market by replacing over 1000 national approval regulations.
- The **Mobile Roaming Charges regulatory initiative** reduces the cost of international roaming charges in Europe, and regulates the safety of ICT-related products.

Regulations of content:

- **European audiovisual regulation** that aims to ensure the free provision of services, access to information and protection of users in areas such as commercial communication, protection of minors and human dignity. For example, it includes. the **Television Without Frontiers Directive**, which promotes the European broadcasting industry by ensuring the free movement of television broadcasting services throughout the EU and the **Council Recommendation on the Protection of Minors and Human Dignity**, which provides guidelines for national legislation in combating illegal and harmful content transmitted through electronic media.
- The EU's Single Market rules facilitate **cross border transmission of audiovisual programmes via satellite and retransmission by cable**. There are EU policies concerning **Spam, Privacy and Data Protection**.
- Finally, EU policies regarding content such as **Web Accessibility**, the **Directive on the harmonization of certain aspects of copyright and related rights in the information society**, **Digital Rights Management** and **protecting databases and computer programs**.

The policies of **Stimulating the Information Society** focus on *Research, Infrastructure and Content & Services* and include a number of initiatives that all aim to strengthen the Digital Dividend:

Regulation of research:

- A pillar for **Investment and Innovation in Research** has been established promoting innovation and technological leadership.

Regulation of infrastructure:

- The **electronic communications regulatory framework** stimulates the development of Europe's infrastructure by promoting competition and growth. **Bridging the Broadband Gap** ensures that all regions of Europe benefit from broadband internet access.

To stimulate the Information Society the supply of *content & services* are essential:

- **Copyright** and the **Digital Rights Management** technologies contribute to media sector growth.
- As the public sector is the single biggest producer of information in Europe, the EU's **Public Sector Information Directive** makes it easier for companies to access and add value to this valuable material.
- **Europe's cultural heritage** is another potentially massive source of content that can be made available to the public as encouraged by the **Digital Libraries Initiative** and the **Lund Principles and Action Plan**.
- **Security:** Finally, the Information Society cannot develop its full potential unless users, companies and governments enjoy reliable networks which requires high levels of protection for personal data from malicious attacks as described in the **Strategy for a Secure European Information Society**.

Exploiting the Benefits of the Information Society. The policies deal with 3 areas: *Public Services, Society & Environment*, and *e-Business*. Under *Public Services*. Government, Health, and Education etc. are listed:

- The **e Government Action Plan** (April 2006), outlines how to use ICTs to provide 'joined up government' and to improve democracy, while the **Electronic Public Procurement** legal framework accelerates the use of ICTs in public procurement.
- The **e Health Action Plan** (April 2004), defines how to use ICTs to deliver improved quality health care across Europe. It will be followed by a **Recommendation on e Health interoperability** and a 2010 Flagship on **ICTs for independent living in an ageing society**.
- The **2006 e Learning Conference** explored how ICTs can improve European education and training in a life-long perspective.

Society & Environment policies deal with 3 areas: *Inclusion, Sustainable Development* and *e Business*. Only *Inclusion* is relevant in this connection:

The **Ministerial Declaration on inclusion** ensures equal access to ICT-powered services regardless of geographical location, wealth or health. The Commission further encourages more women to pursue an IT career to contribute to change and boost the ICT sector.

A number of **activities** and support programmes have been established to increase the Digital Dividend in *Education & Training, Public Administration* and of course within *European cultural industries*.

The **MEDIA 2007 programme** is particularly interesting in this connection. The programme aims to strengthen the competitiveness of the European audiovisual industry and includes a series of pilot projects to account for rapid technological changes.

5.5 ANNEX – LINKS TO RELEVANT LAWS

This Annex contains links to the relevant laws addressed in the Study. Hard copies will be made available in the print version of the document.

5.5.1 EU LAW

Audio – Visual Media Services Directive

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:095:0001:0024:EN:PDF>

Amsterdam Protocol

<http://eur-lex.europa.eu/en/treaties/dat/11997D/htm/11997D.html#0109010012>

Communications on Public Broadcast Financing

[http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52001XC1115\(01\):EN:NOT](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52001XC1115(01):EN:NOT)

[http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52009XC1027\(01\):EN:NOT](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52009XC1027(01):EN:NOT)

1998 Council Recommendation on Protection of Minors

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31998H0560:EN:NOT>

2006 Recommendation on the protection of minors and Human Dignity

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32006H0952:EN:NOT>

Electronic Communications Framework Directive

Current Framework: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0021:EN:NOT>

Electronic Communications Universal Services Directive

Current Framework: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0022:EN:NOT>

Communication on accelerating the transition from analog to digital

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52005DC0204:EN:NOT>

5.5.2 OTHER INTERNATIONAL PROVISIONS

Documents on Council of Europe standards in media

[*Council of Europe is the European Convention on Transfrontier Television*](#)

[European Charter for Regional or Minority Languages](#)

[Declaration on the freedom of expression and information](#) on april 29th 1982

[Declaration on the role of community media in promoting social cohesion and intercultural dialogue](#) (February 11th 2009).

[Declaration on the allocation and management of the digital dividend and the public interest](#) (February 20th 2008

[Declaration of the Committee of Ministers on freedom of communication on the internet](#) (May 28th 2003)

[Recommendation on media pluralism and diversity of media content CM/Rec\(2007\)](#)

[Recommendation 1228 \(1994\) on cable networks and local television stations](#)

[Recommendation 1641\(2004\) on Public service broadcasting](#)

[Recommendation Rec\(2003\)9 on measures to promote the democratic and social contribution of digital broadcasting](#)

[Recommendation Rec\(1999\)1 on measures to promote media pluralism](#)

[Recommendation Rec\(2002\)7 on measures to enhance the protection of the neighbouring rights of broadcasting organizations](#)

[Recommendation Rec\(2001\)7 on Measures to Protect Copyright and Neighbouring Rights and Combat Piracy, Especially in the Digital Environment](#)

[Recommendation Rec\(1999\)5 of the Committee of Ministers for the protection of privacy on the internet](#)

[Recommendation CM/Rec\(2008\)6 of the Committee of Ministers to member states on measures to promote the respect for freedom of expression and information with regard to Internet filters](#)

[Resolution 957\(1991\) on the situation of local radio in Europe](#)

[Report on how member states should ensure legal, financial, technical and other appropriate conditions required to enable public service media to discharge their remit](#)¹⁰⁷.

[The Human Rights guidelines for Internet service providers](#)

[The Human Rights guidelines for online games providers stresses](#)

Study on [Public funding for film and audiovisual works in Europe](#)

¹⁰⁷ Report prepared by the Group of Specialists on Public Service Media in the Information Society (MC-5-P5M), November 2008

5.5.3 NATIONAL LAWS

Austria

KommAustria Act

<http://www.rtr.at/en/rf/KOG/kogeng.pdf>

Private Radio Act

<http://www.rtr.at/en/rf/PrR-G/PrR-G%20english.pdf>

Private Television Act

<http://www.rtr.at/en/rf/PrTV-G/PrTV-G%20english.pdf>

ORF Act

<http://www.rtr.at/en/rf/ORF-G/orfg-eng.pdf>

Telecommunications Act

http://www.rtr.at/en/tk/TKG2003/TKG_2003_eng.pdf

Draft law addressing Audiovisual Media Services

http://www.parlament.gv.at/PG/DE/XXIV/ME/ME_00115/imfname_171534.pdf

Denmark

See Appendix

Germany

Interstate Treaty on Broadcasting

http://www.alm.de/fileadmin/Download/Gesetze/13_RStV-englisch.pdf

Interstate Agreement on the Protection of Minors

http://www.alm.de/fileadmin/Download/Gesetze/JMStV_Stand_13.RStV_englisch.pdf

Landesmediengesetz (Northrhine Westphalia by way of example)

<http://www.lfm-nrw.de/downloads/medienrecht/lmg2007.pdf>

WDR Law

http://www.mbem.nrw.de/web/media_get.php?mediaid=688&fileid=1948&sprachid=1

5.6 ANNEX – LIST OF INTERVIEWED BODIES

Institution	Address of institution	Position	Name	Phone number
GOVERNMENTAL AND EUROPEAN INSTITUTIONS				
Ministry of Culture (Republic of Serbia)	Vlajkovićeve 3, 11000 Belgrade	Assistant Minister for Media	Nataša Vučković-Lesandrić	(+38111) 3398 498
		Adviser Media Department	Maja Raković	(+38111) 3398 498
		Adviser	Maja Petrović	(+38111) 3398 936
Ministry of Public Administration and Local Self Government	6 Birčaninova St, 11000 Belgrade	Chief of Staff	Saša Mogić	(+38111) 2685 396
Ministry for Human and Minority Rights (Republic of Serbia)	2 Bulevard Mihajla Pupina St., 11000 Belgrade	State secretary	Marko Karadžić	(+38111) 3130 971
Ministry of Public Administration and Local Self Government	6 Birčaninova St, 11000 Belgrade	Chief of Staff	Saša Mogić	(+38111) 2685 396
Ministry of Telecommunications and Information Society,				
Department for International Cooperation and European Integration (Republic of Serbia)	Nemanjina 22-26, Belgrade	National contact person for F17 and CIP	Stefan Lazarevic	(+38111) 2020 081
Commissioner for information of public importance and personal data protection (Republic of Serbia)	42, Svetozara Markovica St., 11000 Belgrade	Commissioner	Rodoljub Šabić	(+38111) 3408 900
Serbian Business Registers Agency (SBRA)	Brankova street 25, 11000 Belgrade	Director	Zvonko Obradović	(+38111) 3331 401
		Advisor for international relations	Snežana Tošić	(+38111) 3331 435
Republic Broadcasting Agency	Vasina 2-4, 11000 Belgrade, Serbia	Council Vice-president	Goran Karadžić	(+38111) 2078 703
		Chief Executive Officer		
		Deputy Executive Officer	Rajka Galin Čertić	

			Nenad Janković	
		PR manager	Gabrijela Petković Jovanović	(+38111) 3331 424
Culture and Media Committee (National Assembly - Republic of Serbia)	Trg Nikole Pašića 13, 11000 Belgrade	Member of parliament	Vesna Marjanović	(+38111) 3026 212, 3026 218
Government of Autonomous Province of Vojvodina	Bulevard Mihajla Pupina 16, 21000 Novi Sad	Deputy Prime Minister of the Government of autonomous province of Vojvodina and provincial secretary of information	Anna Tomanová-Makanová	(+38121) 4874 210
		Assistant provincial secretary (Provincial secretariat of information)	Kalman Kuntić	(+38121) 4874 540
Intellectual Property Office (Republic of Serbia)	5 Kneginje Ljubice St., 11158 Belgrade	Assistant provincial secretary (Provincial secretariat of information)	Mirjana Antić	(+38121) 4874 523
		Director	Branka Totić	(+38111) 311 11 62, 20 25 901
		Assistant director	Vladimir Marić	(+38111) 20 25 936
		Head of the copyright and related rights department	Zorica Gulas	(+38111) 20 25 832
Delegation of the European Commission to the republic of Serbia (European union)	Vladimira Popovića 40, GTC Avenue block 19a, 11070 New Belgrade	Project manager - operations	Svetlana Dukić	(+38111) 3083 200
Council of Europe office in Belgrade	Sindjeliceva 9, 11000 Belgrade	Human rights adviser	Vladan Joksimovic	(+38111) 3088 411
Organization for security and co-operation in Europe (OSCE) - media department	Čakorska 1, Belgrade	Head of media department	Dragana Nikolić-Solomon	(+38111) 3606 167
		Senior Media legislation assistant	Ljiljana Breberina	(+38111) 3606 145
		National legal officer	Sanja Stanković	(+38111) 3606 148
MEDIA AND RESEARCH INSTITUTIONS	Kralja Petra 54/III floor, 11000 Belgrade	Chief of Party	Richard McClear	(+38111) 3039 716

IREX Serbia (Media Assistance Program)

AGB Nielsen Media Research	Gavrila Principa 8, 11000 Belgrade	Managing Director	Darko Bročić	(+38111) 328 4510
ANEM	13a Marsala Birjuzova, 11000 Belgrade	Chairman	Sasa Mirkovic	(+38111) 2622 467
IPSOS Strategic Marketing	Gavrila Principa 8, 11000 Belgrade	Research Manager / Media CT	Jasna Milošević Dordević	(+38111) 3284 075
1881 Journalists association of Serbia	28 Resavska St., 11000 Belgrade	President	Ljiljana Smajlović	(+38111) 3236 337
		General secretary	Nino Brajović	(+38111) 3236 337
		Chairman of executive board	Petar Jeremić	(+38111) 3236 337

MEDIA ASSOCIATIONS

Asocijacija Medija (Media Association)	Ljube Jovanovića 9c, 11000 Belgrade	Director	Zoran Papić	(+38111) 3065 545
IJAS Independent Journalist Association of Serbia	Resavska 28/2, 11000 Belgrade	President	Nadežda Gaće	(+38111) 3343 255
Medija Centar (Media Center) Beograd	Terazije 3, 11000 Belgrade	Deputy director and head of press center	Gordana Mladenović	(+38111) 3349 541
NDN Vojvodine (Independent journalists' association of Vojvodina)	Zmaj Jovina 3/I, 21000 Novi Sad	General secretary	Nedim Sejdinović	(+38121) 472 3180

MEDIA ENTERPRISES

Serbian Broadcasting Corporation (RTS)	Takovska street 10, 11000 Belgrade	Head of corporate communications	Marija Bahri	(+38111) 321 1545
		Editor in Chief for Satellite Program	Dejan Gligorijević	(+38111) 321 1456
Serbian Broadcasting Corporation (Financial Department)	19 Dragise Lapcevic street, 11000 Belgrade	Director of Financial Department	Branka Ruzic Hinic	(+38111) 321 38 30
Radio-Television Vojvodina (RTV)	Ignjata Pavlasa 3, 21000 Novi Sad	Director of Radio Novi Sad	Milivojev Pavle	(+38121) 661 28 77
	Sutjeska 1, 21000 Novi Sad	Editor in Chief	Ljibuša Nikolin	(+38121) 524 324

FONET News Agency	Knez Mihailova 21/V, 11000 Belgrade	Director	Zoran Sekulić	(+38111) 2635 346
TANJUG Press Agency	Obilićev venac 2, 11000 Belgrade	Director	Branka Dukić	(+38111) 328 1608
BETA News Agency	Kralja Milana 4, 11000 Belgrade	Director	Ljubica Marković	(+38111) 360 24 64, 360 24 00
		Editor in Chief	Ivan Cvejić	(+38111) 3602 407
Novosti (News) company	Square Nikola Pasic 7, 11000 Belgrade	General manager and editor in chief	Manojlo Manjo Vukotić	(+38111) 3028 010
DANAS Independent Daily	Alekse Nenadovića 19-23/V, 11000 Belgrade	Senior editor and member of the managing board	Radomir Ličina	(+38111) 344 1186
Politika, Daily	Makedonska 29, 11000 Belgrade	Deputy Editor in chief	Dragan Janjic	(+38111) 330 1714
		Chief Financial Officer	Goran Bezbradica	(+38111) 330 1181
STUDIO B	Masarikova 5, 11000 Belgrade	General manager and Editor in Chief	Aleksandar Timofejev	(+38111) 206 9008, 206 9009
		Business Manager	Aleksandar Ralev	(+38111) 3613 646
B 92	Bulevard Dr. Zorana Dindica 64, 11070 Belgrade	President / External communications director	Saša Mirković	(+38111) 301 2000
		President of Board of directors of B92 Fund	Veran Matić	(+38111) 301 2000
FOX Television	Autoput 22, 11 080 Belgrade	Executive Producer	Zoran Baranac	(+38111) 209 1050
OTHERS				
Živković Samardžić (lawyer office)	Maršala Birjuzova 1/IV, 11000 Belgrade	lawyer	Slobodan Kremenjak	(+38111) 2636 636
Neo Communications	Palmotićeveva 23, 11000 Belgrade	senior creative adviser	Vladimir Čeh	(+38111) 3246 890

5.7 TV Advertising Market in Europe

(SOURCE: IP NETWORK, WWW.IP-NETWORK.COM/TVKEYFACTS)

TV ADVERTISING EXPENDITURE GROSS				
Country	Total Adspend 2008 (in million EUR)	TV Adspend 2008 (in million EUR)	Growth Rate TV Adspend 2008 vs. 2007 ¹	TV Share
AUSTRIA	2 607.09	622.90	4.4 %	23.9 %
BELARUS	n.a.	261.89	16.8 %	n.a.
BELGIUM	3 164.42	1 204.78	3.7 %	38.1 %
BULGARIA	526.91	404.18	28.0 %	76.7 %
CROATIA	727.07	469.17	1.8 %	64.5 %
CYPRUS	294.39	251.61	16.8 %	85.5 %
CZECH REPUBLIC	2 201.12	993.00	17.6 %	45.1 %
DENMARK	1 839.25	617.67	10.8 %	33.6 %
ESTONIA ²	111.16	29.96	-2.1 %	27.0 %
FINLAND ²	1 502.00	268.10	2.3 %	17.8 %
FRANCE	25 341.94	7 271.83 ³	n.a. ³	28.7 %
GERMANY	22 371.28	9 124.42	4.5 %	40.8 %
GREECE	2 668.87	862.04	-8.4 %	32.3 %
HUNGARY	2 237.18	1 376.56	7.2 %	61.5 %
ICELAND	n.a.	n.a.	n.a.	n.a.
IRELAND	1 873.44	363.21	-3.0 %	19.4 %
ITALY ²	7 772.44	4 596.02	-1.2 %	59.1 %
LATVIA	575.84 ⁴	467.15	40.9 %	81.1 %
LITHUANIA	533.43	388.00	17.0 %	72.7 %
LUXEMBOURG	124.91	13.67	19.1 %	10.9 %
MACEDONIA	326.35 ⁵	303.17	66.7 %	92.9 %
NETHERLANDS	5 716.00	3 079.00	1.7 %	53.9 %
NORWAY	3 075.70	914.80	13.3 % ⁶	29.7 %
POLAND	4 989.09	2 703.01	17.3 %	54.2 %
PORTUGAL	4 708.95	3 368.00	9.1 %	71.5 %
ROMANIA ⁷	6 931.14	6 536.43	n.a.	94.3 %
RUSSIA ²	7 220.85	3 775.03	22.3 %	52.3 %
SERBIA	1 052.19	812.55	5.8 %	77.2 %
SLOVAKIA	1 687.58	1 346.00	41.2 % ⁶	79.8 %
SLOVENIA	522.46 ⁸	285.16	17.1 %	54.6 %
SPAIN	18 958.17	10 850.09	4.9 %	57.2 %
SWEDEN	3 460.94	1 361.92	-1.4 %	39.4 %
SWITZERLAND	2 800.58	750.44	6.9 %	26.8 %
TURKEY	1 600 808.31	1 596 533.74	132.1 % ⁹	99.7 %
UKRAINE	2 863.47	2 232.73	33.8 %	78.0 %
UNITED KINGDOM ¹⁰	9 578.93	3 988.66	-4.0 %	41.6 %
Total Europe¹¹	150 365.14¹²	71 893.15¹³	7.0 %^{6,13}	47.6 %¹²
EU 26¹⁴	132 198.93	62 373.37	5.4 %⁶	47.1 %
JAPAN	33 357.38	15 135.56	-4.5 %	45.4 %
UNITED STATES ¹⁵	107 750.59	40 016.54	n.a. ¹⁶	37.2 %

¹Calculations are based on national currency. ²Net figures; ³Data not comparable to last year's. France Television changed its sales condition in Dec. 2007. Its prices are based on Net per sec. since January 2008. ⁴Data not comparable to last year's, because Internet is no longer included. ⁵Data not comparable to last year's, because Outdoor is newly included. ⁶Calculation based on EUR value; ⁷Data not comparable to last year's, because, in 2008, TV gross values were based on rate cards and not on CPP as in the year before. ⁸Data not comparable to last year's, because Radio is newly included. ⁹Calculation based on USD value; ¹⁰Figures for TV are gross. The remaining media are neither gross nor net but estimates used as industry standard. ¹¹Without Turkey; ¹²Without Belarus and Iceland; ¹³Without Iceland; ¹⁴Without Malta; ¹⁵Data are neither gross nor net. They are published by MAGNA by Brian Wieser; ¹⁶Data not comparable to last year's, since both methodology and research institute changed.

Source: IP NETWORK, local institutes

5.8 TV VIEWING TIME IN EUROPE (SOURCE: IP NETWORK)

VIEWING TIME PER INDIVIDUAL (IN MIN.)										
Country	Target Group	2000		2006		2007		2008		Maximum Peak Monday-Friday
		Adults	Mon-Sun	Mon-Sun	Mon-Sun	Mon-Sun	Mon-Sun	Mon-Sun		
AUSTRIA	12+		148	163	157	156			20:45	
BELARUS	16+		189 ¹	154	157	167			20:45	
BELGIUM NORTH	15+		167	181	185	180			21:15-21:30	
BELGIUM SOUTH	15+		210	231	228	225			21:15	
BULGARIA	15+		180	225	225	218			21:15	
CROATIA	18+		167	281	272	262			21:00	
CYPRUS	18+		n.a.	183	185	190			21:45	
CZECH REPUBLIC	15+		194	206	194	197			20:45	
DENMARK	12+		159	160	157	175			21:15	
ESTONIA	18+		253 ²	245	243	248			21:00	
FINLAND	10+		168	169	166	177			20:45-21:00	
FRANCE	15+		204	217	219	217			21:15	
GERMANY	14+		203	227	223	221			21:00	
GREECE	15+		220	263	259	264			22:45	
HUNGARY	18+		260	279	273	274			20:45	
ICELAND	12-80		149	154	126	175 ³			19:15	
IRELAND	15+		185	190	188	195			21:15	
ITALY	15+		238	249	239	244			21:30	
LATVIA	18+		186	216	213	224			20:45	
LITHUANIA	15+		193	200	212	213			21:00	
LUXEMBOURG	12+		144	161	155	156			21:00	
MACEDONIA	15+		286 ⁴	274 ⁴	279 ⁴	270 ⁵			21:45	
NETHERLANDS	13+		166	204	194	191			22:00	
NORWAY	12+		163	156	154	174			21:15	
POLAND	16+		235	254	254	245			20:45	
PORTUGAL	15+		189	216	216	221			21:30	
ROMANIA	18+		223 ⁶	245	238	258			21:30	
RUSSIA	18+		195 ⁷	241	240	241			21:15	
SERBIA	15+		239 ⁸	285	296	302			21:30	
SLOVAKIA	15+		185 ⁴	198	195	188			20:45	
SLOVENIA	15+		173	184	188	186			21:00	
SPAIN	16+		219	228	234	238			22:30	
SWEDEN	15+		160	165	167	170			21:15	
SWITZERLAND (G)	15-74		136	147	142	143			21:00-21:15 ⁹	
SWITZERLAND (F)	15-74		155	175	167	170			21:15 ⁹	
SWITZERLAND (I)	15-74		166	182	172	185			21:15 ⁹	
TURKEY	20+		221	225	225	235			21:45	
UKRAINE	18+		197 ⁶	212	205	216			21:00	
UNITED KINGDOM	16+		234	232	233	240			21:15	
TOTAL EUROPE			208¹⁰	226	224	227			21:12	
JAPAN	20+		205	213	211	227			20:30	
UNITED STATES ¹¹	18+		n.a.	295	297	298			21:45	

¹Data for Adults 12+; ²Data for Adults 18-74; ³Data not comparable to last year's due to new measurement system and measured period (2006: diary/October; 2007: diary/June; 2008: portable people-meter/all year); ⁴Data for Adults 14+; ⁵Data not comparable to last year's due to new measurement system, introduced in 2008 (period: 01 July 2008 - 31 December 2008); ⁶Data for Adults 15+; ⁷Data for Adults 16+; ⁸Data for Serbia and Montenegro; ⁹Data for Individuals 3+; ¹⁰Average without Cyprus; ¹¹Data refer to period September (respective year) to May (following year).

Source: IP NETWORK, local institutes

5.9 CABLE AND SATELLITE TELEVISION IN EUROPE (SOURCE: IP NETWORK)

COUNTRY	TV HOUSEH. (in 000)	CABLE SUB (in 000)	SATELLITE ¹ (in 000)	CABLE SUB in %	SATELLITE ¹ in %	ONLY ANAL. TERR. in %
AUSTRIA	3 438	1 437	1 709	41.8%	49.7%	4.1%
BELARUS	3 535	771	293 ^{2,3}	21.8%	8.3% ^{2,3}	n.a.
BELGIUM	4 831	4 396	367 ³	91.0%	7.6% ³	1.0% ⁴
BULGARIA	2 890	1 734	494	60.0%	17.1%	25.1%
CROATIA	1 440	181	336	12.6%	23.3%	61.7%
CYPRUS	263	3	47 ³	1.0%	18.0% ³	60.0%
CZECH REPUBLIC	3 966	924	631	23.3%	15.9%	39.0% ⁵
DENMARK	2 486	796	1 154	32.0%	46.4%	n.a.
ESTONIA	570	317	50 ³	55.7%	8.7% ³	21.3%
FINLAND	2 236	1 073	112	48.0%	5.0%	0.0%
FRANCE	25 516	2 450	3 980 ³	9.6%	15.6% ³	22.0%
GERMANY	34 260	17 575	15 109 ³	51.3%	44.1% ³	0.0%
GREECE	3 411	14	171 ³	0.4%	5.0% ³	n.a.
HUNGARY	3 965	2 427	619 ³	61.2%	15.6% ³	21.3%
ICELAND	119	48	13 ³	40.0%	11.0% ³	41.0%
IRELAND	1 540	554	570 ³	36.0%	37.0% ³	28.0%
ITALY	23 240	0	6 786	0.0%	29.2%	53.9%
LATVIA	823	463	129	56.2%	15.7%	33.1%
LITHUANIA	1 340	586	66	43.7%	4.9%	51.4%
LUXEMBOURG	171	116	51	67.8%	29.8%	0.0%
MACEDONIA	459	241 ⁶	57 ³	52.4% ⁶	12.5% ^{3,6}	37.3% ⁶
NETHERLANDS	7 126	5 181	556 ³	72.7%	7.8% ³	0.0%
NORWAY	2 105	1 010	653 ³	48.0%	31.0% ³	3.0%
POLAND	13 759	4 485	3 839	32.6%	27.9%	42.2%
PORTUGAL	3 490	1 469	206	42.1%	5.9%	44.6%
ROMANIA	7 100	4 998	1 541 ³	70.4%	21.7% ³	9.6%
RUSSIA	50 000 ⁵	13 900	1 500 ³	27.8%	3.0% ³	77.7%
SERBIA	2 427	930	165	38.3%	6.8%	55.6%
SLOVAKIA	1 615	680	359	42.1%	22.2%	43.0%
SLOVENIA	678	416 ⁷	53	61.4% ⁷	7.8%	26.9%
SPAIN	16 019	2 483	4 325	15.5%	27.0%	36.7%
SWEDEN	4 591	2 410	776	52.5%	16.9%	0.0%
SWITZERLAND	3 098	2 506	421 ³	80.9%	13.6% ³	2.8%
TURKEY	16 685	1 351 ⁸	8 860 ^{8,9}	8.1% ⁸	53.1% ^{8,9}	57.4%
UKRAINE	16 649	5 028	1 698	30.2%	10.2%	59.1%
UNITED KINGDOM	25 778	3 609	9 564	14.0%	37.1%	12.8%
Total Europe	291 619	86 562	67 256	29.7%	23.1%	36.2%¹⁰
EU 26¹¹	195 102	60 596	53 260	31.1%	27.3%	21.8%¹²
JAPAN	52 168	21 650	35 892 ³	41.5%	68.8% ³	n.a.
UNITED STATES	114 500	71 105	32 175 ³	62.1%	28.1% ³	10.5%

¹Private and collective dish; ²Data for population 16+ in main cities; ³Satellite private dish only; ⁴IPB estimate at year-end 2008; ⁵IP NETWORK estimate; ⁶In % of population; ⁷Includes IPTV and cable via satellite; ⁸Data from 2007; ⁹Excluding Digiturk and D-Smart; ¹⁰Average without Belarus, Denmark and Greece; ¹¹Without Malta; ¹²Average without Denmark and Greece

Source: IP NETWORK, local institutes

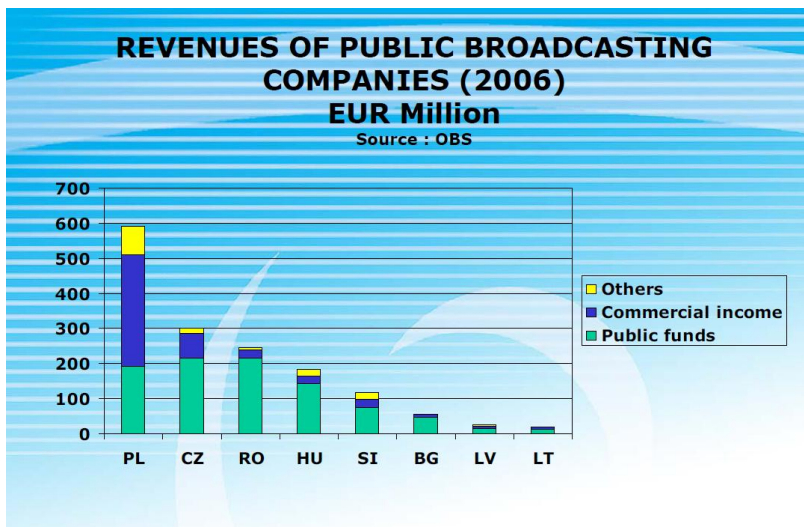
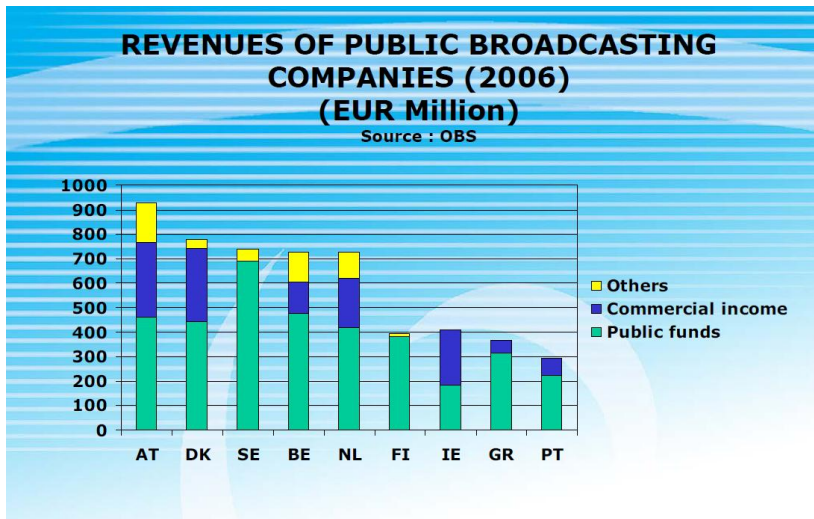
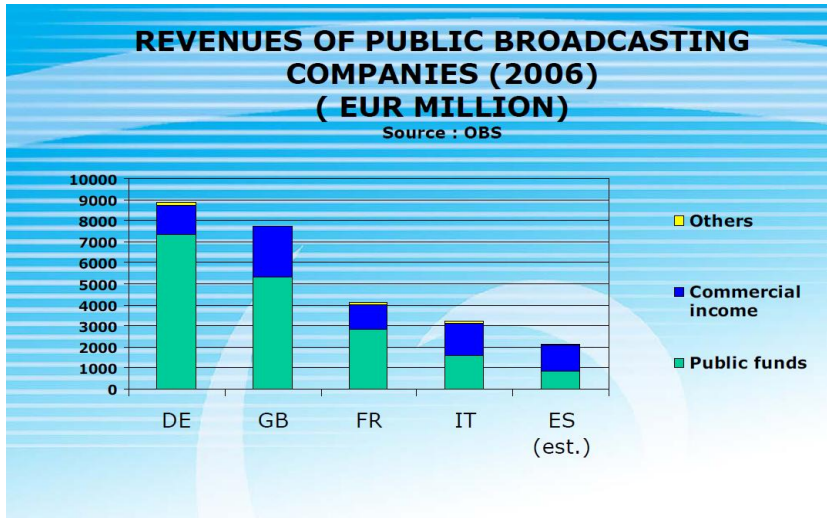
5.10 AUDIOVISUAL RECEIVING TECHNOLOGIES OVERVIEW IN EUROPE (SOURCE: IP NETWORK)

COUNTRY	TV FLAT SCREEN	TV HIGH DEFINITION	PC	MOBILE	INTERNET USER	BROADBAND
	(in % of TVHH)	(in % of TVHH)	(in % of HH)	(in % of Pop.)	(in % of Pop.)	(in % of HH)
AUSTRIA	22.0%	14.0%	65.1%	86.4%	60.3%	43.3%
BELARUS	n.a.	n.a.	n.a.	85.3%	33.0%	6.8% ¹
BELGIUM	18.2%	n.a.	65.0%	80.5%	64.7%	60.6%
BULGARIA	26.7%	n.a.	n.a.	72.2% ²	34.3%	15.2% ³
CROATIA	n.a.	n.a.	49.5%	n.a.	n.a.	29.2%
CYPRUS	n.a.	n.a.	n.a.	96.0%	49.0%	n.a.
CZECH REPUBLIC	17.6%	n.a.	47.7%	87.9% ⁴	54.0% ⁴	33.1%
DENMARK	43.4%	n.a.	75.9%	91.8%	85.0%	65.4%
ESTONIA	n.a.	n.a.	57.1%	93.5%	66.1%	51.6%
FINLAND	34.0%	n.a.	79.0%	n.a.	78.0%	68.0%
FRANCE	39.8%	30.4%	n.a.	91.3% ⁵	63.0%	53.8%
GERMANY	n.a.	n.a.	68.0%	117.6% ⁵	64.4%	54.3%
GREECE	n.a.	n.a.	37.0% ⁶	110.3% ³	41.0%	33.0%
HUNGARY	8.0%	n.a.	44.5%	87.0%	43.2%	30.2%
ICELAND	n.a.	n.a.	90.4%	97.2%	91.0%	97.0% ³
IRELAND	29.0%	20.0% ⁷	59.0%	121.0% ⁵	64.0% ⁸	39.0%
ITALY	n.a.	n.a.	50.1%	93.5%	42.2%	27.6%
LATVIA	n.a.	n.a.	57.1%	90.5% ⁹	54.9%	41.5%
LITHUANIA	n.a.	n.a.	42.0%	144.0% ^{3,5}	48.7% ³	n.a.
LUXEMBOURG	n.a.	n.a.	82.8%	100.0% ⁵	74.7% ¹⁰	76.2%
MACEDONIA	n.a.	n.a.	45.6%	78.7% ⁵	41.5%	23.1%
NETHERLANDS	31.2%	n.a.	n.a.	112.0% ⁵	83.4%	n.a.
NORWAY	57.0%	55.0%	82.6%	110.0% ⁵	86.2%	78.6%
POLAND	15.3%	n.a.	41.2%	75.3%	45.1%	32.2%
PORTUGAL	n.a.	n.a.	59.2%	88.7% ¹¹	48.8% ⁷	48.6%
ROMANIA	n.a.	n.a.	n.a.	66.3%	23.1%	n.a.
RUSSIA	n.a.	n.a.	46.0%	114.6% ^{3,5}	35.0% ¹⁰	n.a.
SERBIA	5.9%	n.a.	38.2%	60.4% ⁵	21.1%	11.3%
SLOVAKIA	n.a.	n.a.	75.8%	97.8%	69.7%	36.7%
SLOVENIA	15.5%	n.a.	65.0%	95.0% ³	58.0%	50.0%
SPAIN	29.3%	4.9%	56.0%	84.6%	46.8%	28.9%
SWEDEN	39.8%	21.5%	74.2%	112.0% ⁵	83.0%	83.6%
SWITZERLAND	40.2%	26.1%	81.9%	87.4%	76.1%	65.0%
TURKEY	n.a.	n.a.	35.2%	70.9%	27.7%	14.8% ³
UKRAINE	n.a.	n.a.	20.0%	71.4%	15.4% ⁴	n.a.
UNITED KINGDOM	49.4%	30.2%	73.2%	90.2%	76.5% ⁷	57.3%
Total Europe	n.a.	n.a.	53.4%¹²	94.0%¹³	47.9%¹⁴	43.0%¹⁵
EU 26¹⁶	n.a.	n.a.	60.6%¹⁷	94.3%¹⁸	57.4%	45.9%¹⁹
JAPAN	43.9%	n.a.	85.9%	75.4%	75.3% ²⁰	73.4%
UNITED STATES	n.a.	45.4%	80.9%	86.8%	71.0% ³	59.0% ²¹

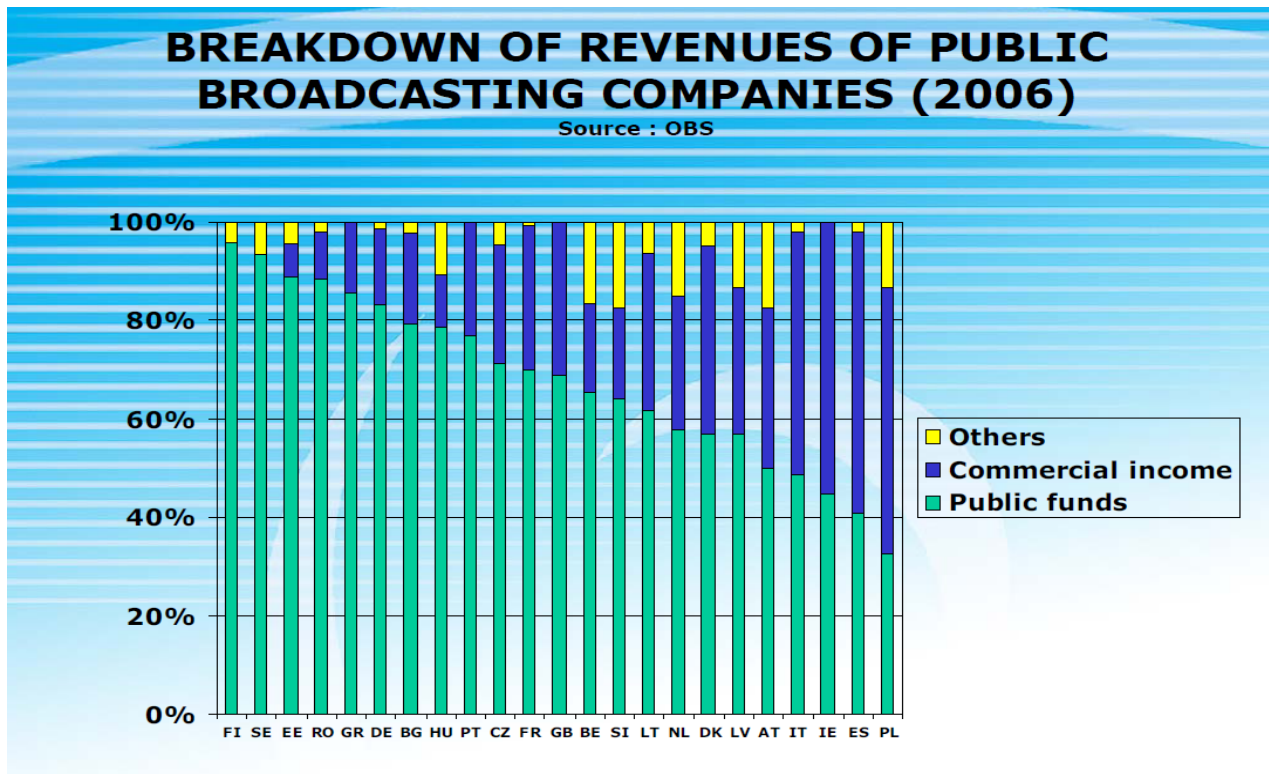
¹250 000 households; ²Based on target group Adults 15+ and includes pre-paid mobile phones as well; ³Data from 2007; ⁴Adults 16+; ⁵Figure is calculated on the number of private mobile phone contracts, in reference to the total population. One person can have more than one contract. ⁶Data from 2006; ⁷Regarding newest TV set only; ⁸Adults 15+; ⁹Adults 15-74; ¹⁰Individuals 12+; ¹¹Individuals 10+ living in Portugal Mainland; ¹²Average without Belarus, Bulgaria, Cyprus, France, Netherlands and Romania; ¹³Average without Croatia and Finland; Note: In some countries figures are above 100% due to calculation (number of private mobile phone contracts in reference to the population). ¹⁴Average without Croatia; ¹⁵Average without Cyprus, Lithuania, Netherlands, Romania, Russia and Ukraine; ¹⁶Without Malta; ¹⁷Average without Bulgaria, Cyprus, France, Netherlands and Romania; ¹⁸Without Finland; Note: In some countries figures are above 100% due to calculation (number of private mobile phone contracts in reference to the population). ¹⁹Without Cyprus, Lithuania, Netherlands and Romania; ²⁰Individuals 6+; ²¹For residential

Source: IP NETWORK, local institutes

5.11 REVENUES OF PUBLIC SERVICE COMPANIES
 (SOURCE EUROPEAN AUDIOVISUAL OBSERVATORY IN STRASBOURG)

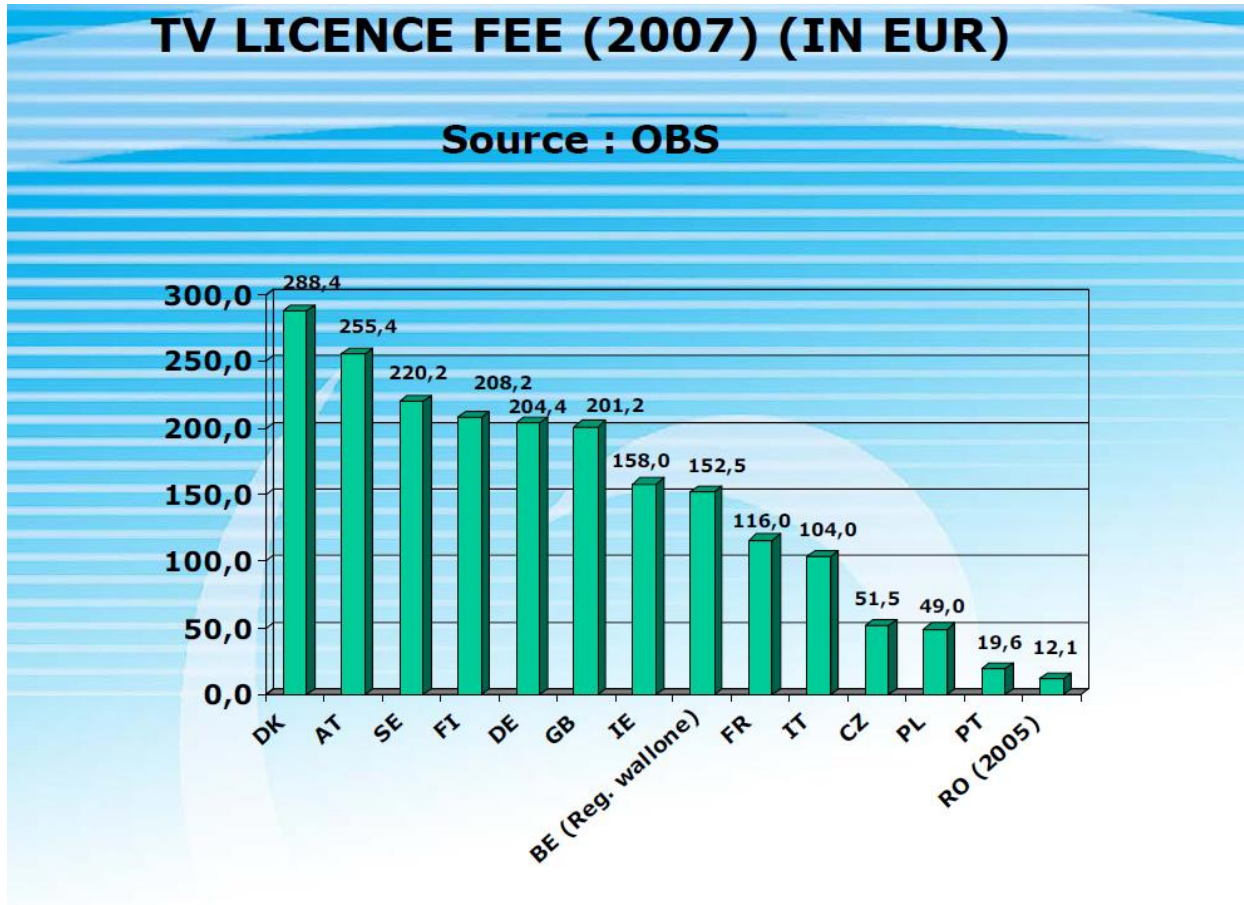


5.12 BREAKDOWN OF REVENUES OF PUBLIC SERVICE COMPANIES
(PUBLIC FUNDS VS. COMMERCIAL)
(SOURCE EUROPEAN AUDIOVISUAL OBSERVATORY IN STRASBOURG)

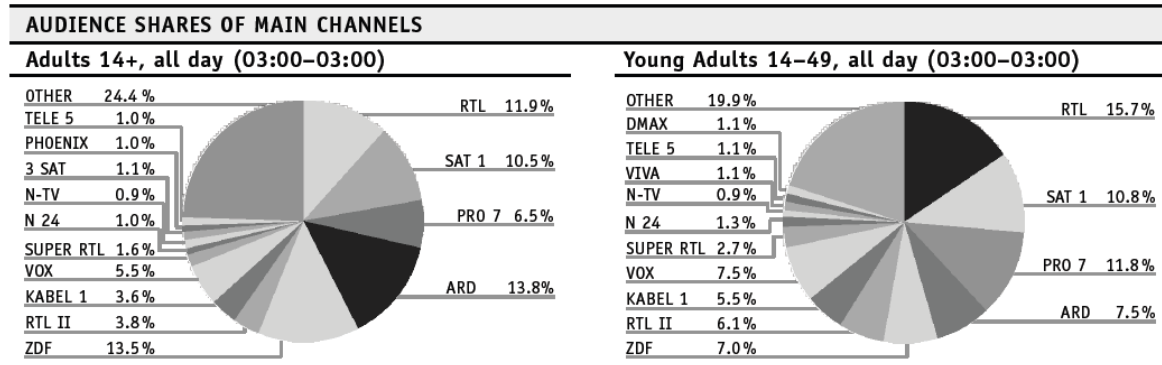


5.13 TV LICENSE FEES (OVERVIEW)

(SOURCE EUROPEAN AUDIOVISUAL OBSERVATORY IN STRASBOURG)



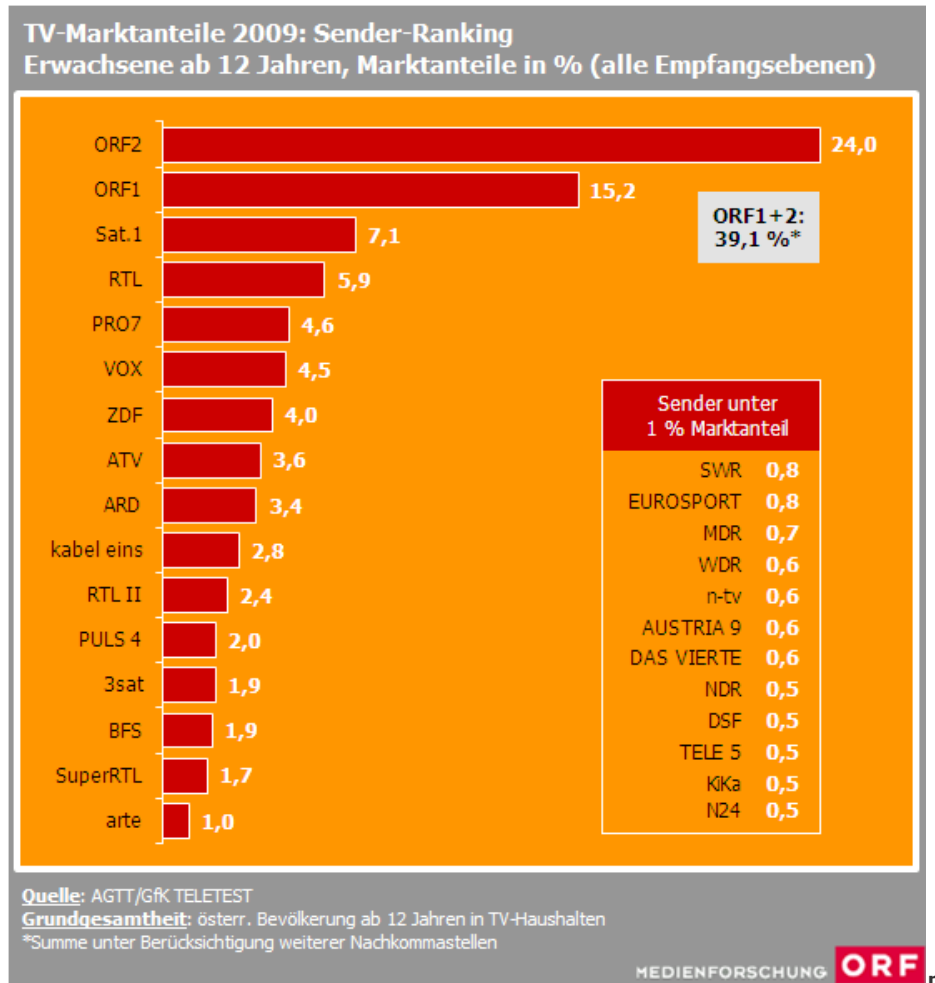
5.14 TV AUDIENCE SHARE – GERMANY (SOURCE AGF/GFK & IP GERMANY)



AUDIENCE SHARES OF MAIN CHANNELS/ALL DAY 03:00–03:00 (IN %)									
Channel	Adults 14+		Young Adults 14–49		Children 3–13		Main Purchase Responsibles 14+		
	2007	2008	2007	2008	2007	2008	2007	2008	
RTL	12.6	11.9	16.0	15.7	8.6	8.8	12.7	12.0	
SAT 1	9.8	10.5	10.6	10.8	5.9	5.9	10.3	11.0	
PRO 7	6.4	6.5	11.7	11.8	8.0	8.7	5.8	5.8	
ARD	13.8	13.8	7.3	7.5	4.5	5.1	14.3	14.1	
ZDF	13.3	13.5	6.7	7.0	4.0	4.7	13.9	13.8	
RTL II	3.8	3.8	6.3	6.1	4.9	4.4	3.7	3.7	
KABEL 1	3.6	3.6	5.6	5.5	2.8	2.6	3.4	3.4	
VOX	5.8	5.5	7.9	7.5	3.6	3.1	6.0	5.7	
SUPER RTL	1.6	1.6	2.8	2.7	23.2	20.4	1.6	1.6	
N 24	0.9	1.0	1.1	1.3	0.4	0.4	0.7	0.9	
N-TV	0.7	0.9	0.7	0.9	0.2	0.2	0.6	0.8	
3 SAT	1.1	1.1	0.8	0.8	0.3	0.2	1.1	1.1	
ARTE	0.7	0.7	0.6	0.5	0.2	0.2	0.7	0.7	
NEUN LIVE	0.2	0.1	0.2	0.1	0.1	0.1	0.2	0.2	
KIKA	0.6	0.7	1.0	1.1	13.8	15.2	0.6	0.7	
PHOENIX	0.9	1.0	0.8	0.9	0.2	0.2	0.9	1.0	
VIVA	0.5	0.5	1.1	1.1	1.5	1.3	0.4	0.4	
EUROSPORT	1.0	0.9	0.8	0.8	0.5	0.5	0.8	0.8	
DSF	1.1	0.9	1.2	1.0	0.8	0.8	0.8	0.7	
MTV	0.4	0.5	0.9	1.0	0.7	0.8	0.3	0.3	
TELE 5	0.7	1.0	0.8	1.1	0.4	0.7	0.7	0.9	
DAS VIERTE	0.8	0.9	0.8	0.8	0.3	0.4	0.8	0.8	
DMAX	0.5	0.6	0.9	1.1	0.4	0.4	0.4	0.5	
NICK	0.3	0.5	0.7	0.9	7.8	8.9	0.3	0.4	
COMEDY CENTRAL	0.3	0.3	0.5	0.6	0.3	0.5	0.2	0.3	
OTHER	18.5	17.8	12.3	11.3	6.4	5.6	18.7	18.2	

Source: AGF/GFK Fernsehpanel, IP Deutschland 2008

5.15 TV AUDIENCE SHARE – AUSTRIA (SOURCE ORF)



5.16 LICENSE FEES IN AUSTRIA

DIE RUNDFUNKGEBÜHREN IM DETAIL (MONATLICH)

Stand: 1. Jänner 2010 – Euro pro Monat



FERNSEH-EMPFANGSEINRICHTUNGEN (INKL. RADIO)

	Gesamt	Radio- gebühr	Fernseh- gebühr	Fernseh- entgelt	Kunst- förderung	Landes- abgabe	USt.
<i>einzuheben für</i>		<i>BMF ¹⁾</i>		<i>ORF</i>	<i>Bund/ Länder ²⁾</i>	<i>Länder ³⁾</i>	
Wien	23,06	0,36	1,16	15,10	0,48	4,45	1,51
Niederösterreich	22,71	0,36	1,16	15,10	0,48	4,10	1,51
Burgenland	21,11	0,36	1,16	15,10	0,48	2,50	1,51
Oberösterreich	18,61	0,36	1,16	15,10	0,48	0,00	1,51
Salzburg	22,81	0,36	1,16	15,10	0,48	4,20	1,51
Steiermark	23,71	0,36	1,16	15,10	0,48	5,10	1,51
Kärnten	23,31	0,36	1,16	15,10	0,48	4,70	1,51
Tirol	21,91	0,36	1,16	15,10	0,48	3,30	1,51
Vorarlberg	18,61	0,36	1,16	15,10	0,48	0,00	1,51

RADIO-EMPFANGSEINRICHTUNGEN

	Gesamt	Radio- gebühr	Fernseh- gebühr	Radio- entgelt	Kunst- förderung	Landes- abgabe	USt.
<i>einzuheben für</i>		<i>BMF ¹⁾</i>		<i>ORF</i>	<i>Bund/ Länder ²⁾</i>	<i>Länder ³⁾</i>	
Wien	6,68	0,36	0,00	4,20	0,48	1,22	0,42
Niederösterreich	6,56	0,36	0,00	4,20	0,48	1,10	0,42
Burgenland	6,16	0,36	0,00	4,20	0,48	0,70	0,42
Oberösterreich	5,46	0,36	0,00	4,20	0,48	0,00	0,42
Salzburg	6,56	0,36	0,00	4,20	0,48	1,10	0,42
Steiermark	6,86	0,36	0,00	4,20	0,48	1,40	0,42
Kärnten	6,71	0,36	0,00	4,20	0,48	1,25	0,42
Tirol	6,36	0,36	0,00	4,20	0,48	0,90	0,42
Vorarlberg	5,46	0,36	0,00	4,20	0,48	0,00	0,42

¹⁾ Die Radio- und die Fernsehgebühr (Rundfunkgebühr für Radio- und Fernsehempfangseinrichtungen) fließt dem Bundesministerium für Finanzen zu.

²⁾ Der Kunstförderungsbeitrag wird im Verhältnis 70:30 zwischen Bund und Ländern aufgeteilt.

³⁾ Die Landesabgabe fließt dem jeweiligen Landesbudget zu. Jedes Bundesland legt die Höhe und den Verwendungszweck der Landesabgabe selbst fest.

5.17 ANNEX – RELEVANT ARTICLES FROM LAW ON LOCAL SELF-GOVERNMENT AND JURISDICTION OF THE CITY OF BELGRADE

5.17.1 LAW ON LOCAL SELF-GOVERNMENT

("Fig. Gazette of RS, no. 129/2007)

2.1.1. Jurisdiction of the municipality

Article 20

The municipality, through its agencies, in accordance with the Constitution and the law:

- 1) adopt programs of development;
- 2) urban planning issues;
- 3) adopt the budget and final accounts;
- 4) determine the rate of municipal revenues, and explain the criteria for determining the amount of local taxes and fees;
- 5) regulate and provide the performance and development of public utilities (water purification and distribution, purification and removal of storm and waste water production and supply of steam and hot water, line the city and suburban transport of passengers in road traffic, maintenance of cleanliness in the towns and villages, maintaining landfills, editing, maintenance and use of markets, parks, green, recreational and other public areas, public parking, public lighting, editing and maintenance of cemeteries and burial, etc.), as well as organizational, financial and other conditions for their performance;
- 6) be responsible for maintenance of residential buildings and the safety of their use and determine the amount of compensation for maintenance of residential buildings;
- 7) conducting the procedure for eviction of illegal occupancy of persons in apartments and common areas in apartment buildings;
- 8) adopt programs of construction land, regulate and ensure performance of business development and utilization of construction land and determine the amount of fee for the development and use of construction land;
- 9) adopt programs and implement projects for economic development and improving the care of a general framework to work in the local self-government;
- 10) regulate and provide for the use of office space managed, determines the amount of compensation for the use of business premises and supervise the use of office space;
- 11) ensure protection of the environment, adopt programs to use and protect natural resources and environmental protection programs, and local action and recovery plans, in line with the strategic documents and their interests and the specifics and determine the specific benefits for the protection and improvement of the environment;

12) regulate and provide for carrying out activities related to construction, rehabilitation and reconstruction, maintenance, protection, use, development and management of local and categorized roads and streets in the neighborhood;

13) regulate and provide for special conditions and organization autotaksi passenger;

14) regulate and provide for the organization of transport in linijskoj navigation that is done in the municipality, as determined by the parts of the coast and water area where you can build a hydro facilities and set vessels;

15) establish commodity reserves and determine their size and structure, with the consent of the competent ministries in order to meet the needs of the local population;

16) establish institutions and organizations in the field of primary education, culture, primary health care, physical culture, sport, child protection and tourism, monitor and ensure their proper functioning;

17) established the institution in the field of social protection and monitoring and ensuring their proper functioning, gives permission for the start of social welfare institutions established by other legal and natural persons, determine whether the conditions for the provision of social services, establish norms and standards for conducting activities of the institutions whose Founder, shall issue regulations on the rights of social protection and state custodian performs;

18) organizes the performance of tasks related to the protection of cultural heritage of the municipality, encourages the development of cultural and artistic creativity, providing funds for financing and co-financing programs and projects in the cultural field of the municipal and creates conditions for the operation of museums and libraries and other institutions culture that was founded;

19) organise the protection of natural and other major disasters and fire protection and creating conditions for their removal or mitigation of their consequences;

20) make base protection, use and regulation of agricultural land and ensure their implementation, determines the erosive area, takes on the use of pastures and meadows decide on bringing another culture;

21) regulate and determine the manner of use and management of sources, wells and public drinking fountain, establishes water management requirements, issues of water management and water management permit approval for buildings of local importance;

22) take care and provide conditions for preservation, use and improvement of areas with natural curative properties;

23) encourage and be responsible for development of tourism in their area and determine the amount of the tax;

24) be responsible for development and improvement of catering, craft and trade, regulated working hours, the place where they can perform certain activities and other conditions for their work;

25) manage the assets of the municipality and the use of state-owned assets and taking care of their preservation and increase;

26) regulate and organize the performance of tasks related to keeping and protection of domestic and exotic animals;

- 27) organise the performance of activities of legal protection of their rights and interests;
- 28) establish agencies, organizations and services for the municipality and regulate their organization and work;
- 29) supports the development of various forms of self-help and solidarity with persons with special needs as well as persons who are substantially unequal position compared to other citizens and encourages activities and provides assistance to organizations of disabled persons and other social and humanitarian organizations in its territory;
- 30) encourage and assist the development of cooperatives;
- 31) organise legal aid services to citizens;
- 32) take care of the realization, protection and promotion of human rights and individual and collective rights of national minorities and ethnic groups;
- 33) determine the language and script of national minorities in official use in the municipality;
- 34) takes care of public information of local interest and provide conditions for public information in Serbian language and the languages of national minorities, which are used in the municipality, establish television and radio stations to report the language of national minorities in the municipality in official use, and for reporting the languages of national minorities is not in official use, when such reporting is the level of minority rights;
- 35) prescribe the offenses for violation of municipal regulations;
- 36) establish inspection services and performs inspection of enforcement of regulations and other general laws in the jurisdiction of the municipality;
- 37) regulate the organization and operation of conciliation councils;
- 38) regulate and provide for the use of the name, emblem and other symbols of the municipality;
- 39) perform other tasks of direct interest to citizens, in accordance with the Constitution, laws and statutes.

Law on the Capital

("Fig. Gazette of RS, no. 129/2007)

5.17.2 JURISDICTION OF THE CITY OF BELGRADE

Article 8

City of Belgrade is the municipal jurisdiction and the city, established by the Constitution and the Law.

In addition to responsibilities in paragraph 1 this Article, the City of Belgrade, on its territory, in accordance with law:

- 1) regulate and provide, in accordance with the principles of integrated water management, water protection, protection against the harmful effects of water and water use, as well as goods of general interest, including the organization and financing of water management activities on the water area that is under the jurisdiction of the City of Belgrade, founded public company for water resources management activities and water management facilities that are under the jurisdiction of the City of Belgrade, inspection is done in the field of water resources, regulate and ensure the conditions and manner of use of setting boats on part of the coast and water area, including the issuance of permits for installation on boats facilities, as well as supervise the use of space for installation on boats;
- 2) regulate and provide for carrying out activities related to construction, reconstruction, maintenance and management of municipal and categorized roads, streets, and state roads, but highway and established public company for conducting the management of state roads that are under the jurisdiction of the City of Belgrade;
- 3) establish municipal police, provides business performance and organize communal police;
- 4) ensure protection from fire and provide conditions for the implementation of fire protection, prescribed fire safety measures specific to the territory of Belgrade in order to improve the condition of fire protection, and brings the action and recovery plans for fire protection;
- 5) can be set up television and radio stations, newspapers and other media.

City of Belgrade and perform other powers and duties of state administration entrusted to him by Law.

5.18 ANNEX – BROADCASTING LAW

BROADCASTING LAW♦

The Broadcasting Law was published in the Official Gazette of the RS No. 42/02 dated 19 July 2002. The amendments to this law were published in the Official Gazette of the RS Nos. 97/04, 76/05, 62/06 and 85/06. The provision of Article 110 line 2 of the Advertising Law (Official Gazette of the RS No. 79/05) stipulates that the provisions of Articles 104-105, Articles 107-112 and Article 113 para. 1 items 16)-18) and items 20)-26) of the Broadcasting Law shall cease to apply as of the effective day of that law.

- CONSOLIDATED TEXT - ©©

I BASIC PROVISIONS

Subject of the Law

Article 1

This Law stipulates the conditions for and manner of conducting broadcasting activities in keeping with international conventions and standards; establishes the Republican Broadcasting Agency, as well as public broadcasting service institutions; determines terms and procedures for the issuance of licences to broadcast radio and TV programmes; regulates other issues of relevance to the broadcasting sector.

Article 2

The provisions of this Law shall not pertain to the conditions and procedure for issuing radio station licences, or to the terms and procedure under which broadcasters gain the right to set up, use and maintain fixed and mobile broadcasting equipment.

Principles Regulating Relations in the Broadcasting Sector

Article 3

The regulation of relations in the broadcasting sector shall be based on the following principles:

- 1) Freedom, professionalism, and independence of public media outlets, as a guarantee of the overall development of democracy and social harmony;
- 2) Rational and efficient use of the radio frequency spectrum as a limited natural resource;
- 3) Prohibition of any censorship of and/or influence on the work of public media outlets, whereby their independence, the independence of their newsrooms and journalists is guaranteed;
- 4) Full affirmation of civil rights and freedoms and especially the freedom of expression and plurality of opinion;

©© The consolidated text of the Broadcasting Law has been prepared by the Technical Service of the Republican Broadcasting Agency. The Republican Broadcasting Agency has decided to do so considering that, by the latest amendments, the Legislative Committee of the National Assembly of the Republic of Serbia, as the only authorised body, is not authorised to determine the consolidated text of the Broadcasting Law. The Republican Broadcasting Agency has prepared the internal version of the consolidated text of the Broadcasting Law for its own needs and the needs of the radio and television stations (broadcasters) it supervises in the Republic of Serbia. The purpose of preparing this text is an easier application of the Broadcasting Law, considering the numerous amendments to the basic (original) text of this law.

- 5) Application of internationally recognised norms and principles with respect to the broadcasting sector, especially the respect of human rights in this sector;
- 6) Impartiality, prohibition of discrimination, and transparency of the procedure for issuing broadcasting licences.
- 7) Encouraging the development of broadcasting and creativity in the field of radio and television in the Republic of Serbia.

Definitions

Article 4

Unless otherwise specified, the terms used in this Law shall have the following meanings:

- 1) **Broadcasting**: general term for radio and television as electronic mass media, achieved by the analogue or digital transmission of text, speech, sound, still and moving images in the form of programme contents via radio waves or cable distribution systems to adequate reception devices and intended for the general public.
- 2) **Radio frequency**: main physical parameter of electromagnetic or radio waves freely moving through space, whose conventional values fall within the 3 KHz – 3000 GHz band;
- 3) **Coverage area**: area in the vicinity of a transmitter providing the required field strength of the electromagnetic signal for a satisfactory service taking into account cochannel interference;

- 4) **Service area:** area in the vicinity of a transmitter fulfilling the condition of quality signal reception in real conditions. The service area in real conditions is always smaller than the coverage area;
- 5) **Proposed service area:** geographic area or administrative region which the broadcasting service is intended for. Depending on the needs, the proposed service area signifies either an individual service area or the sum of service areas covered by each transmitter. In case of a network of transmitters, the proposed service area represents the sum of individual service areas covered by each transmitter in the network;
- 6) **Radio/TV network:** two or more transmitters or repeaters or a combination of them broadcasting the same programme at the same time;
- 7) **Networking:** the setting up of a temporary radio or television network via terrestrial, cable or satellite links between two or more broadcasters with the aim of directly transmitting a radio or television programme;
- 8) **Broadcasting organisation (hereinafter: broadcaster):** a natural or legal person registered to produce and broadcast radio or TV programmes, which has been issued a broadcasting licence in keeping with this Law.
- 8a) **Broadcasting:** transmission of radio or television programme from broadcasters to reception devices via a network of transmitters (terrestrial broadcasting) or cable distribution systems (cable broadcasting) and satellite stations (satellite broadcasting);
- 9) **Public broadcasting service:** the production, purchase, editing and broadcasting of news, educational, cultural and artistic, children's, entertainment, sports and other radio and television programmes of general interest to citizens, particularly with the aim of fulfilling their human and civic rights, fostering the exchange of ideas and opinions, nurturing political, sexual, inter-ethnic and religious tolerance, as well as preserving national identity;
- 10) **Independent production:** radio and television programmes intended solely for broadcasting and produced by a natural or legal person who are registered therefor but who are not a broadcaster of the programme they are producing;
- 11) **Advertisement:** promotional message the aim of which is to present and draw attention to a certain product, service or firm, i.e. to induce consumers to use i.e. purchase the product or service;
- 12) **Advertising:** broadcasting of advertisements for a fee or other form of compensation;
- 13) **Sponsorship:** any funding by a natural or legal person, which is not involved in the activity of producing a radio and/or television programme or the production of audiovisual content, of a radio and/or television programme, with the aim of promoting its name, trademark, reputation, activities or products;
- 14) **Teleshopping:** radio or television presentation of the qualities or values of products or services with the aim of directly selling them to the public.
- 15) **Cable distribution system (hereinafter CDS):** a predominantly cable telecommunication network intended for the distribution of radio and television programmes and the provision of other telecommunication services;
- 16) **CDS operator or satellite station operator (hereinafter: Operator):** a natural or legal person that must be organised as a separate legal entity in relation to the broadcaster and that constructs, owns or operates a CDS or a satellite station for transmission of radio or television programme from broadcasters to reception devices.

Cooperation with the Telecommunications Regulatory Authority

Article 5

The Republican Broadcasting Agency and the telecommunications regulatory authority, set up by a separate law regulating the telecommunications sector, are obliged to cooperate and coordinate their work in accordance with and in the manner envisaged by the provisions of this Law and of the separate telecommunications law, with the aim of achieving the rational and effective use of the broadcast band and consistent application of this Law and the separate telecommunications law.

II REPUBLICAN BROADCASTING AGENCY

1. Legal Status

Establishment

Article 6

The Republican Broadcasting Agency (hereinafter Agency) is established as an autonomous i.e. independent organisation exercising public competencies pursuant to this Law and regulations passed on the basis of this Law to secure conditions for the efficient implementation and improvement of the set broadcasting policy in the Republic of Serbia in a manner befitting a democratic society.

The Agency is an autonomous legal person and is functionally independent of any state body, as well as of all organisations and persons involved in the production and broadcasting of radio and television programmes and/or related activities.

Legal Status and Representation

Article 7

The Agency shall have the status of a legal person.

The Agency Council shall be the Agency body reaching all decisions on issues within the Agency's competencies.

The Agency Council Chairperson, or the Council Vice-Chairperson in the absence of the Chairperson for any reason, shall act in the name and on behalf of the Agency.

The Chairperson, i.e. the Vice-Chairperson deputising for the Chairperson, may wholly or partially delegate the power to represent the Agency to another Council member only on the basis of a Council decision.

2. Agency Competencies

Article 8

The Agency is competent for:

- 1) Passing the broadcasting development strategy in the Republic of Serbia with the consent of the Government of the Republic of Serbia;
- 2) Controlling and ensuring the consistent application of the provisions of this Law;
- 3) Issuing broadcasting licences and prescribing the licence form;
- 4) Setting technical, organisational and programming conditions for the production and broadcasting of programmes pursuant to the provisions of this Law;
- 5) Prescribing rules binding on broadcasters which ensure the implementation of the broadcasting policy in the Republic of Serbia;
- 6) Supervising the work of broadcasters in the Republic of Serbia;
- 7) Considering submissions filed by natural and legal persons and complaints of broadcasters concerning the operation of other broadcasters;
- 8) Delivering to the competent state bodies its opinions with regard to accession to international conventions related to the broadcasting sector;
- 9) Imposing adequate sanctions against broadcasters in keeping with this Law;
- 10) Performing other duties in accordance with this Law.

In addition to the competencies set forth in para 1 of this Article, the Agency is also competent to take measures in the broadcasting sector with the aim of:

- 1) Protecting minors;
- 2) Enforcing regulations on copyright and neighbouring rights;
- 3) Preventing the broadcasting of programmes which contain information inciting discrimination, hatred or violence against an individual or a group of individuals on grounds of race, religion, nationality, ethnicity or sex.

The Agency performs the duties in para 1, sub-para 1, 2, 3, and 6 as duties entrusted to it.

Passing of the Broadcasting Development Strategy

Article 9

According to the previously obtained opinion of the regulatory body in charge of telecommunications, the Agency shall pass a Broadcasting Development Strategy in the Republic of Serbia, wherein it shall determine the number and types of broadcasters, proposed service areas and other parameters for which a public tender shall be called, after having taken into consideration the diverse requirements of citizens and social groups for information, education, cultural, sports and other content.

Law Implementation Control

Article 10

The control of the implementation of this Law shall entail control of the work of broadcasters with respect to their consistent application and affirmation of principles upon which the regulation of relations in the broadcasting sector are based as well as to the fulfilment of other obligations which broadcasters have under the provisions of this Law.

Issuing of Broadcasting Licence

Article 11

The Agency shall issue a licence for the broadcasting of a programme via terrestrial, cable or satellite transmission, either digital or analogue, in a procedure and according to criteria laid down by this Law.

A broadcasting licence is not required for broadcasting via the global information network (Internet webcasting), but the provisions of this Law shall apply to the programme content.

Prescribing Binding Rules for Broadcasters

Article 12

The Agency shall pass recommendations, instructions, binding instructions and general binding instructions for broadcasters to ensure the efficient implementation of the broadcasting policy in the Republic of Serbia.

The Agency shall pass recommendations for broadcasters in the event of inconsistent

permitted practice on part of the broadcasters when applying the provisions of this Law in respect of the programme content.

The Agency shall pass an instruction if there is doubt whether the manner, in which a broadcaster or a group of broadcasters is using the licence in regard to the provisions of this Law pertaining to programme content, is permitted or not.

The Agency shall pass a binding instruction if it is established that the broadcasters' conduct in regard to certain issues regarding programme content is inconsistent whereby certain types of such conduct are deemed impermissible.

The Agency shall pass a general binding instruction in order to regulate certain issues regarding programme content in greater detail, regardless of the existing practice of the broadcasters. The general binding instruction may pertain to a specific issue regarding programme content, a number of related issues, or all issues in respect of programme content (broadcasters' code of conduct).

Non-compliance with a binding instruction shall be deemed grounds for pronouncing a reprimand or a warning to the broadcaster, while non-compliance with a general binding instruction shall be the basis for pronouncing any sanction the Agency is empowered to pronounce.

Recommendations, instructions, binding instructions and general binding instructions shall be published in the manner envisaged by the Agency Statute.

The Agency shall pass and publish other regulations in keeping with this Law and in the manner envisaged by the Statute.

Supervising the Work of Broadcasters

Article 13

The Agency shall supervise the work of the broadcasters itself or by hiring an authorised organisation.

When exercising the competence laid down in para 1 of this Article, the Agency shall focus on the broadcasters' overall respect of the terms and conditions on which they were issued the licence, particularly with regard to general programme standards prescribed by this law.

Broadcasters are obliged to allow the Agency insight in the data and other documentation related to the subject of the supervision.

Consideration of Submissions

Article 14

Natural and legal persons shall have the right to file submissions to the Agency with regard to a broadcaster's programme contents if they deem these programmes are violating or endangering their personal interests or the public interest.

Upon the receipt and consideration of the submission, the Agency shall deliver forthwith the submission to the broadcaster for explanation and set a deadline therefor, unless the submission is manifestly ill-founded, in which case the Agency shall dismiss it and inform the submitter thereof.

If the broadcaster does not provide an explanation within the given deadline or informs the Agency that the submission is groundless, but the Agency still maintains that the submission is well-founded, the Agency shall take adequate measures against the broadcaster and advise the submitter on ways in which s/he can protect his/her interests.

Adequate measures set forth in para 3 of this Article include but are not limited to:

- 1) Sanctions pronounced by the Agency in keeping with this Law;
- 2) Filing of misdemeanour or criminal charges or initiating of other appropriate proceedings with a competent state body.

Consideration of Complaints

Article 15

A broadcaster may submit a complaint to the Agency about the conduct of another broadcaster which has inflicted or may inflict it damage.

The Agency shall deliver the complaint in para 1 of this Article forthwith to the broadcaster concerned, who shall provide an explanation within 15 (fifteen) days after the day of complaint receipt.

If the Agency maintains that the complaint is well-founded despite the broadcaster's explanation, it shall take measures set out in Article 14 para 4 of this Law against the broadcaster concerned.

Cooperation with State and Other Bodies and Organisations

Article 16

The Agency shall deliver its opinion to the competent state bodies at their request and in regard to accession to international conventions and other agreements related to the broadcasting sector.

The Agency shall cooperate with relevant organisations of other states, i.e. relevant international organisations with the aim of exchanging opinions, improving its work and

conforming it with international experience and standards.
Competent state bodies shall ask the Agency for its opinion during the drafting of regulations in respect of the broadcasting sector.

Pronouncement of Sanctions

Article 17

The Agency may issue the broadcaster a reprimand or a warning and may temporarily or permanently revoke its broadcasting licence in keeping with the provisions of this Law. Exceptionally, public broadcasting service institutions - which are not obliged to acquire a broadcasting licence from the Agency - may only be issued a reprimand and a warning.

The Agency may initiate proceedings against a broadcaster or the broadcaster's responsible person with a court of competent jurisdiction or another state body if the broadcaster's act or failure to act has the character of an offence punishable under the Law.

Article 18

A reprimand set forth in Article 17 paras 1 and 2 of this Law shall be pronounced against a broadcaster, which has for the first time breached an obligation stipulated by this Law or an Agency by-law passed on the basis of this Law.

The reprimand shall not be published by the media.

A warning shall be pronounced against a broadcaster which:

- 1) Despite the issued reprimand, continues acting in contravention of obligations stipulated by this Law or an Agency by-law adopted on the basis of this Law.
- 2) Violates an obligation for the first time, but in a manner in which this violation seriously threatens the implementation of principles regulating relations in the broadcasting sector;
- 3) Violates a term set forth in the broadcasting licence.

When pronouncing a warning, the Agency shall expressly specify the obligation the broadcaster has violated and define measures the broadcaster is to take to rectify the violation.

The warning shall be published in the media and obligatorily in the programme of the broadcaster concerned.

A broadcaster may also be subject to pronouncement of sanctions laid down in a separate telecommunications law, in the event the broadcaster does not abide by the prescribed obligations.

The Agency shall ensure impartiality and fairness during the imposition of sanctions, as well as enable the broadcaster to be heard about the committed violations of obligations it is held liable for prior to the imposition of the sanction.

The Agency shall prescribe detailed rules on the terms and procedure of sanction imposition.

Protection of Minors

Article 19

The Agency shall ensure the protection of minors and the respect of human dignity in programmes broadcast via radio and TV and shall pass a general binding instruction to that effect.

The Agency shall especially ensure that programmes, which may impair the physical, mental and moral development of minors, are not accessible via radio or television except when the broadcasting time or technical measures ensure that minors are as a rule unlikely to have the opportunity to watch or hear them.

Broadcasting of programmes, which grossly impair the physical, mental or moral development of minors, shall be prohibited.

Protection of Copyrights and Neighbouring Rights

Article 20

The Agency shall ensure that all broadcasters apply regulations on copyrights and neighbouring rights.

Conduct contrary to regulations in para 1 of this Article by a broadcaster shall be the basis for pronouncing prescribed sanctions by the Agency independently of other legal remedies at the disposal of the aggrieved holder of a copyright or a neighbouring right.

Suppression of Hate Speech

Article 21

The Agency shall ensure that the broadcasters' programmes do not contain information inciting discrimination, hatred or violence against an individual or a group of individuals on grounds of different political affiliation or of race, religion, nationality, ethnicity, sex or on the grounds of sexual affiliation.

Conduct in contravention of the prohibition in para 1 of this Article shall be deemed grounds for pronouncing the envisaged sanctions by the Agency, independently of the other legal remedies at the disposal of the aggrieved.

III Agency Council

Composition of the Council

Article 22

The Agency Council (hereinafter Council) shall have nine members, appointed from the ranks of reputed experts in fields relevant to conducting the affairs within the Agency's competencies (media experts, advertising experts, lawyers, economists, telecommunication engineers, et al.).

Council Appointment

Article 23

The Council members are appointed by the National Assembly of the Republic of Serbia (hereinafter: Assembly) at the proposal of authorised nominators.

The authorised nominators shall be:

- 1) The competent committee of the Assembly;
- 2) The Assembly of the Autonomous Province of Vojvodina;
- 3) The University conference;
- 4) Associations of public media outlets in Serbia, associations of journalists in the Republic of Serbia, professional associations of film and drama artists in the Republic of Serbia and professional associations of composers in the Republic of Serbia by common agreement.
- 5) Domestic non-governmental organisations and civic organisations primarily focusing on the protection of the freedom of speech, the protection of the rights of national and ethnic minorities and the protection of the rights of the child by common agreement;
- 6) traditional churches and religious communities.

The nominee for the ninth member of the Council shall be nominated by the previously appointed Council members whereby they must nominate a candidate residing and employed in the territory of the Autonomous Province of Kosovo and Metohia and fulfilling the criteria for membership in the Council set forth by this law.

The nominee for the ninth Council member shall be proposed if at least five Council members have voted for him/her.

Procedure for Nominating Council Members

Article 24

Each authorised nominator shall submit a list to the competent Assembly committee by obligatorily nominating two Council member nominees, with the exception of the competent Assembly committee, which shall propose a list by obligatorily nominating six nominees. Only one nominee shall be nominated for the election of the ninth Council member. Each nomination must be signed and sealed by the authorised nominator and include personal name and address of the representative.

Nominees need not be from the ranks of the authorised nominator.

The Assembly shall appoint one nominee from each valid list and three nominees from the list proposed by the competent Assembly committee.

The authorised nominators shall draft their lists independently, and, if an authorised nominator comprises more than one legal person, the nomination shall be determined in agreement, by negotiations.

The competent committee of the Assembly shall acquire the data on domestic nongovernmental organisations and civic associations from bodies competent for keeping records of these organisations i.e. associations.

If the domestic non-government organisations and civic associations submit more than one nominee list, the list signed by a greater number of organisations or associations (authorised nominators) with a greater number of hitherto implemented activities, initiatives and published publications in the previous period in areas they primarily focus on shall be considered valid.

If the nominee list has been submitted in contravention of the provisions of this Law, the competent committee of the Assembly shall return the submitted proposal to the authorised nominator to conform it with this Law within 15 days.

If the competent committee of the Assembly is unable to determine which nominee list is valid, in respect of para 6 of this Article, it shall return the submitted nominations to the authorised nominators, in which case they are obliged to submit to the competent committee of the Assembly an agreed-on nomination within 15 days.

The Assembly Speaker shall in an appropriate manner make public all valid nominee lists submitted by the authorised nominators together with the nominees' brief *curricula vitae* at least 20 days before the decision on the appointment of Council members is taken. Before deciding on the appointment of the Council members, the competent committee of the Assembly may in an appropriate manner organise a public discussion with all nominees in order to gain insight in their abilities to fulfil the tasks within the Agency's competencies.

If no nominee on a Council member nominee list wins the sufficient number of votes, the

appointment will be made on the basis of a new nominee list submitted by the authorised nominator within 15 days from the day of the decision on the previously submitted list at the latest.

Ineligibility for Council Membership

Article 25

The following are not eligible to be Council members:

- 1) Deputies in the Assembly of Serbia and Montenegro and the Serbian assembly or deputies of assemblies of the autonomous provinces;
 - 2) Elected or appointed officials in the Council of Ministers, the Government of the Republic of Serbia (hereinafter: Government) and the executive bodies of the autonomous provinces (ministers, their deputies, assistants, as well as heads of separate departments directly controlled by the Government or of executive bodies, and other officials);
 - 3) Officials of political parties (party leaders, party presidency members and their deputies, members of party executive and main boards and other party officials);
 - 4) Individuals, who as owners of shares or stocks, members of management or supervisory bodies, employees, contractees et al, have an interest in the legal persons involved in the production and/or broadcasting of radio and television programmes or related activities (advertising, telecommunications, et al) because the membership of such an individual in the Council may lead to a conflict of interests;
 - 5) Individuals, who have been convicted by a final sentence of a crime of abuse of official power, corruption, fraud, theft or another criminal offence rendering him/her unfit for the post, notwithstanding the imposed sanction, or who have been convicted by a final sentence of another criminal offence to a prison sentence exceeding 6 months.
 - 6) Spouses, parents, children of or individuals collaterally related up to the second degree to individuals listed in para 1, sub-para 1 to 4 of this Article.
- The nominee shall submit a written statement to the authorised nominator that there are no hindrances set forth in para 1 of this Article to his/her nomination.

Tenure of Council Members

Article 26

The Council Members shall not represent in the Council the bodies or organisations which nominated them, but shall fulfil their duties independently, to the best of their knowledge and conscience, in keeping with this Law.

A Council member's term of office may terminate only for the reasons and after the procedure envisaged by this Law.

No-one has the right to influence the work of Council members in any way and the members shall not take any instructions from anyone regarding their work with the exception of the decisions by the court of competent jurisdiction made in the procedure of judiciary control of the Council's work.

Duration of Tenure

Article 27

A Council member is appointed to a tenure of six years.

Notwithstanding para 1 of this Article, when appointing the first Council members, three Council members shall be appointed to six-year, three members to five-year and three members to four-year terms of office.

The tenure of the Council members in the first Council composition who are appointed at the proposal of the competent committee of the Assembly shall last six years, the tenure of the Council members in the first Council composition who are appointed at the proposal of the Assembly of the Autonomous Province of Vojvodina, university rectors, churches and religious communities shall last five years, while the tenure of the remaining Council members in the first composition shall last four years.

Termination of a Council Member's Tenure

Article 28

The tenure of a Council member may terminate in the following events:

- 1) If the term of office to which the Council member has been appointed has expired;
- 2) If the Council member was dismissed for reasons envisaged by this Law;
- 3) If the member submitted a resignation to the Assembly in written form, in which case the term-of-office of the Council Member terminates the day the resignation has been submitted, whereas an *a priori* submitted (enveloped) resignation shall not have legal effect;
- 4) If the Council member died.

Termination of Tenure by Dismissal

Article 29

At the proposal of the Council or of at least 20 deputies, the Assembly may dismiss a Council member in the following events:

1. If a competent health institution finds the member incapacitated by an illness to fulfil

- the duties of Council member for a period exceeding six months;
2. If it is determined that, during the submission of the nomination, the member gave false personal data or omitted to report data on circumstances set forth in Article 25 of this Law.
 3. If it is determined that some of the circumstances set forth in Article 25 of this Law occurred during the tenure of the Council member.
 4. If for no good reason, the member omits or refuses to fulfil the duty of a Council member for at least three consecutive months or a period of 12 months during which the member has failed to fulfil his duties for at least six months.

The decision on dismissal may be reached only on the basis of a duly reasoned motion for dismissal following a procedure, wherein all the relevant circumstances have been determined and the Council member concerned has been given the opportunity to be heard on all the circumstances.

A Council member may not be dismissed because of his or her political or other opinions, i.e. because of his or her membership in a political organisation.

Suspension of a Council Member

Article 30

Upon the filing of a motion to dismiss a Council member, the Council may, by a twothird majority vote of all its members, reach a decision to suspend the Council member, against whom the dismissal motion has been filed, until the Assembly passes its decision thereon, but only for a period not exceeding six months.

If criminal proceedings have been initiated against a Council member for a criminal offence that makes him/her unworthy of performing the member function, the Council may, by a two-third majority vote of all its members, reach a decision to temporarily suspend the Council member until the completion of the criminal proceedings.

Consequences of Tenure Termination

Article 31

The Assembly Speaker shall publicly call for a submission of a nominee list for a Council member at least six months before the term-of-office of the incumbent Council member expires. The call shall be addressed to the authorised nominators who had nominated the nominees whose term of office is expiring.

The authorised nominators shall submit to the Assembly the nominee lists for the vacated posts within three months from the day the public call has been made.

The Assembly shall reach a decision on the appointment of the new Council members before the tenure of the incumbent members expires.

In the event of the early termination of a Council member's tenure (due to death, dismissal or resignation), the authorised nominator, who had nominated the member whose tenure has terminated in this manner, shall forthwith and within three months at the latest submit a list of nominees for the vacated Council post to the Assembly. The

Assembly shall appoint the new Council member within 60 days after the day of reception of the nominee list. This member shall be appointed to a tenure of six years.

Until a new member is appointed, decisions taken by the incomplete Council shall be deemed legally effective. However, the Council may not reach legally effective decisions if the number of Council members is less than five due to the termination of the tenures of certain members.

Council's Mode of Operation

Article 32

The work of the Council is public.

The Council shall reach decisions by a simple majority of votes of members present on condition that the decision-making quorum of minimum five members is fulfilled, unless otherwise stipulated by this Law or the Statute. General by-laws and decisions on the rights of broadcasters shall be voted in by a simple majority of all Council members unless this Law or the Statute stipulates a two-thirds majority of all Council members. In the event of a tie, the vote of the Council Chairperson, or, in his/her absence, that of the Deputy Chairperson, shall prevail.

The Council shall appoint the Council Chairperson and Deputy Chairperson from amongst its ranks by a two-thirds majority vote of all its members.

The Council Chairperson and members shall have the right to financial remuneration for their work equalling the salaries of the Chairperson, i.e. judge of the Supreme Court of Serbia.

The Council Chairperson shall act in the name of and behalf of the Agency, manage the work of the Council, sign the Council decisions and ensure their implementation, exercise the powers of a company director in respect of employment rights, obligations and responsibilities of the Agency expert department staff, and perform other functions set forth in the Law and Statute.

Agency Statute and Other General By-laws

Article 33

The Statute, the Council's standing orders, the by-law regulating the organisation of the Agency expert departments, the number and status of employees in the Agency expert departments and other Agency general by-laws shall be passed by the Council.

The by-laws in para 1 of this Article shall be passed by a two-thirds majority vote of all Council members.

The Agency Statute shall be subject to the consent of the Assembly.

IV Agency Funding

Financial Plan

Article 34

The funding of the Agency shall be carried out in keeping with a financial plan, which shall be adopted by the Council on an annual basis.

The financial plan shall determine the overall revenue and expenditure of the Agency, reserves for unforeseen outlays, as well as elements for a comprehensive overview of the wage and employment policies in the Agency.

The Government shall approve the financial plan in para 1 of this Article.

The financial plan shall be adopted by 15 December of the current year at the latest for the following year.

The financial plan shall be published in the manner envisaged by the Agency Statute.

All Agency revenue and expenditure accounts shall be subject to annual audit by an independent authorised auditor. The accounts shall be published within three months after the end of the fiscal year.

If the annual balance of the Agency revenues and expenditures shows that the Agency's overall revenues have exceeded the expenditures, the difference shall be paid to the account of the budget of the Republic of Serbia and shall be equally allocated to promote and develop culture, health, education and social care.

Sources of Funding

Article 35

The Agency income comprises funds collected from the fees the broadcasters pay for the right to broadcast programmes (the broadcasting licences) in keeping with this Law.

If the Agency fails to accrue the planned income from the fees set forth in para 1 of this Article, the lacking funds shall be provided from the budget of the Republic of Serbia.

The provision of lacking funds in keeping with para 2 of this Article shall in no way influence the independence and autonomy of the Agency.

V Transparency of the Agency's Work and Judicial Control

Transparency of Work

Article 36

The Agency shall publish an annual report on its work in the manner determined by the Statute.

Judiciary Control

Article 37

An Agency decision may not be appealed against, but an administrative lawsuit may be launched against it.

III BROADCASTING LICENCE

1. Definitions of Licence and Licence Holders

Principles of Licence Issuance

Article 38

A natural or legal person may not broadcast a radio or television programme unless it has previously been issued a licence by the Agency, unless otherwise stipulated by this Law.

Any legal or natural person, fulfilling the conditions prescribed by this Law and regulations passed on the basis of this Law, may be granted a licence to broadcast a radio and television programme under equal terms.

The broadcasting licence issuance procedure is public.

Records are kept of all issued licences in accordance with this Law.

Broadcasting Licence

Article 39

A broadcasting licence is an authorisation the obtainment of which vests in the licence holder the right to broadcast a certain radio and/or television programme intended for an unspecified number of users via terrestrial radio stations, cable distribution systems, satellite radio communications or in another appropriate manner.

The broadcasting licence shall be issued by the Agency upon its implementation of a procedure envisaged by this Law.

The broadcasting licence shall determine the programming and technical standards for the production and broadcasting of radio and television programmes.

A composite part of the broadcasting licence is the radio station licence (broadcasting

station licence), which is issued by the telecommunications regulatory authority at the Agency's request, in accordance with a separate law and on the basis of the Radio Frequency Allocation Plan adopted by the telecommunications ministry.

The radio station licence shall be submitted to the Agency for the implementation of the procedure for issuing a broadcasting licence.

The telecommunications regulatory authority shall issue a radio station licence if the conditions set in a separate law have been met and if the Agency request is in keeping with the Radio Frequency Allocation Plan.

The broadcasting licence holder shall exercise the right to mount, use and maintain fixed and mobile broadcasting equipment in keeping with the provisions of a separate telecommunications law, regulations passed on the basis of that law, general by-laws of the telecommunications regulatory authority and the technical prerequisites i.e. standards the application of which is stipulated by these regulations.

Cable and Satellite Broadcasting

Article 40

The Agency shall issue a licence for cable or satellite broadcasting of programmes without calling a public tender at the request of the Operator.

The Operator shall meet all the conditions prescribed by the separate law regulating the area of telecommunications regarding the possession of the prescribed licences, meeting the technical conditions and standards for the network and station it uses and other conditions prescribed by that law and set by the regulatory body in charge of telecommunications, and obtain the rights for broadcasting the particular programme of the broadcaster of that programme.

The obligation to obtain a broadcasting licence referred to in para 1 of this Article for cable broadcasting shall not be applied for the following programmes:

- 1) Programmes for which the Agency has awarded a terrestrial broadcasting licence provided that the stated programmes are broadcast by cable in the area for which the broadcasting licence has been issued (local area, certain city or municipality or at the national level for programmes for which such a licence has been issued) and provided that the public service programmes are simultaneously broadcast free of charge.
- 2) Programmes which can be received via free (unencrypted) satellite distribution in the territory of the Republic of Serbia.

By satellite broadcasting, the operator may broadcast radio and television programme intended for satellite broadcasting, and it shall obtain a broadcasting licence referred to in para 1 of this Article in all events in which, for satellite broadcasting, it has not obtained a licence for terrestrial or cable broadcasting

The obligation to obtain a broadcasting licence referred to in para 1 of this Article shall apply to the broadcasting via the MMDS (Microwave Multichannel Distribution System) technology, with the obligation of the MMDS technology system operator to obtain the prescribed licence for any radio stations it uses in the mentioned system in keeping with a separate law governing the area of telecommunications.

Broadcasting Licence Holder

Article 41

Only a domestic legal or natural person, registered for the businesses of producing and broadcasting radio and television programmes and with a head office i.e. residence in the territory of the Republic of Serbia, may be a holder of a broadcasting licence.

A domestic legal person, whose founders are foreign legal persons registered in countries, the internal regulations of which do not allow or where it is impossible to determine the origin of the founding capital, may not take part in the public tender for a broadcasting licence.

A foreign legal or natural person may have a share of a maximum 49% in the overall founding capital of the broadcasting licence holder unless otherwise envisaged by international agreements ratified by the Federal Republic of Yugoslavia.

For the purpose of supervising the structure and origin of the licence holder's capital, the licence holder shall obtain prior approval of the Agency for any change in the ownership structure.

A foreign natural or legal person may not possess a share in the capital of public broadcasting service organisations.

Persons which may not be Licence Holders

Article 42

The following may not be broadcasting licence holders:

- 1) An enterprise, institution or another legal person established by the Republic of Serbia or an autonomous province, with the exception of public broadcasting service institutions;
- 2) A political party, organisation or coalition, or a legal person founded by a political

party, organisation or coalition.

Broadcaster

Article 43

A legal or natural person, registered for the business of producing and broadcasting radio and television programmes, shall acquire the status of broadcaster in terms of this Law when awarded a broadcasting licence, i.e. when awarded a radio station licence in the case of broadcasters which are not required under the provisions of this Law to obtain a broadcasting licence.

A broadcaster may produce and broadcast radio and television programmes as a:

- 1) Public broadcasting service institution;
- 2) Commercial radio and/or television station;
- 3) Civil sector radio and/or television station;
- 4) Radio and/or television station of a local or regional community.

Public Broadcasting Service Institutions

Article 44

Public broadcasting service institutions of the Republic of Serbia or of the autonomous provinces, shall be awarded the right to programme production and broadcasting as broadcasters directly on the basis of this Law.

Broadcasters in para 1 of this Article shall be issued only radio station licences in keeping with the Radio Frequency Allocation Plan and this Law.

Broadcasters in para 1 of this Article shall be subject to the provisions of this Law, except for provisions regarding the obtainment of broadcasting licences, as well as to the relevant provisions of a separate telecommunications law.

Types of Broadcasters with regard to Radio and Television Programme Content

Article 45

With respect to the radio and television programme content they produce and broadcast, broadcasters may be:

1. Broadcasters of complete programmes, encompassing news, educational, cultural, scientific, sports and entertainment contents as the predominant part of their activities;
2. Broadcasters of specialised programmes, the content of which fundamentally belong to the same thematic category (sports, culture, music, education, et al);
3. Broadcasters whose programmes are wholly devoted to advertising and sale of goods and services.

Licence Non-Transferability and Inviolability

Article 46

The broadcasting licence may not be ceded, leased or in another manner transferred or alienated either temporarily or permanently.

Licences in para 1 of this Article may not be transferred also in case a broadcaster sells his broadcasting equipment.

In the event in para 2 of this Article, the new owner of the equipment may not begin broadcasting a programme before obtaining a licence, in keeping with the provisions of this Law.

Proposed Service Area

Article 47

A proposed service area may encompass the territory of the Republic of Serbia, the territory of an autonomous province, region or of a local area.

A public service broadcaster must ensure quality reception of its radio i.e. television signal by at least 90% of the population in the proposed service area.

A commercial broadcaster must provide quality reception of the radio i.e. television signal to at least 60% of the population in the proposed service area.

Sharing a Radio Frequency

Article 48

If the terms set forth in the Radio Frequency Allocation Plan have been fulfilled, approval may be granted to a maximum of three broadcasters to a broadcast radio i.e. television programme on the same radio frequency and in the same proposed service area.

The joint use of a radio frequency may be approved only on the basis of a positive opinion previously obtained from the telecommunications regulatory authority.

Broadcasters shall jointly apply for a broadcasting licence in para 1 of this Article, by submitting, *inter alia*, a contract wherein they have together detailed the time slots of each broadcaster intending to share the radio frequency in the same proposed service area.

The Agency shall award to each broadcaster in para 3 of this Article a separate broadcasting licence which specially details the joint use of the radio frequency, the broadcaster/s sharing the same frequency and the terms and conditions of the joint frequency use.

2. Licence Issuance Procedure

Public Tender

Article 49

A broadcasting licence shall be issued on the basis of a public tender.

A public tender is obligatorily called when conditions are met under the Radio Frequency Allocation Plan for the awarding of new broadcasting licences.

The public tender shall publicise the proposed service areas the coverage of which is the reason for calling the public tender, in keeping with the Radio Frequency Allocation Plan.

Invitation for a public tender

Article 50

The announcement calling a public tender for broadcasting licences shall contain:

- 1) The territory of the proposed service area with the radio frequencies/locations assigned to it;
- 2) The technical, organisational and programming terms for programme production and broadcasting which the applicant is to fulfil;
- 3) The terms set forth in a separate telecommunications law and regulations adopted on the basis of that law which the applicant is to meet to be awarded a radio station licence;
- 4) The amount of the annual fee for the right to broadcast a programme and the amount of the fee which is paid for use of a radio frequency on the basis of the awarded radio station licence;
- 5) The deadline for submitting the application for the public tender, together with the prescribed documentation;
- 6) The deadline by which the tender applications shall be considered.

In order to ensure that the public tender is made known to all interested parties under equal terms, the invitation for a public tender shall be published in the Official Gazette of the Republic of Serbia and in one or more newspapers of general circulation. If the public tender is called for awarding broadcasting licences to radio and/or television stations of local or regional communities, the announcement must also be published in at least one local i.e. regional newspaper published in the area for which the public tender is being called.

The deadline for submitting applications for the public tender shall not be shorter than 60 days from the day the announcement has been published.

Deposit

Article 51

The Agency may reach a decision binding the applicants to pay a deposit when submitting the applications for a public tender.

The decision in para 1 of this Article shall also set the amount of the deposit, which shall not exceed the sum of the three monthly broadcasting fee instalments.

Application for the Public Tender

Article 52

An application for the public tender is submitted on a form the content of which is prescribed and published by the Agency.

The applicant shall furnish the following documents together with the application:

- 1) Proof of the applicant's registration for the business of radio and television programme production and broadcasting;
- 2) Proof that the applicant has fulfilled the terms embodied in Article 50 para 1, sub-para 2 and 3 of this Law;
- 3) Documentation regarding the proposed programme concept;
- 4) Organisational and technical concept and staff structure;
- 5) Estimate of annual cost and revenue plans (with their specification) and data on the financial potentials of the applicant, and, if the applicant is broadcasting a radio and/or television programme at the time of application, also the financial statement and the profit and loss account for the financial year preceding the year in which the application for the public tender is being submitted;
- 6) A statement that there are no hindrances in terms of the provisions of this Law in respect of prohibited concentration of media ownership;
- 7) Proof of payment of the deposit and of the administrative taxes for application submission.

The applicant shall also submit other proof and documentation at the Agency's request, in keeping with the Agency's regulations.

The applicant already broadcasting the programme need not submit the proof referred to in para 2 item 2) of this Article.

Agency's Consideration of Submitted Applications

Article 53

The Agency shall:

- 1) Reject an application containing incomplete or incorrect data, i.e. incomplete documentation, if the applicant does not amend the application, i.e. submit the correct data or comprehensive documentation within the subsequently set deadline of seven days;
- 2) Publicise a list of all applicants, whose applications are complete and have been submitted within the envisaged deadline, within seven days after the expiration of the application submission deadline and in the same manner as the public tender;
- 3) Consider all duly submitted applications;
- 4) Set and publicise non-discriminatory, impartial and measurable decision-making criteria, corresponding to the activities for the performance of which the licence is awarded;
- 5) Reach a decision in keeping with the set criteria and prescribed conditions and standards for programme production and broadcasting, and, in the event that more than one person fulfilling the terms has applied for the same radio frequency, give advantage to the one which, on the basis of the submitted documentation, provides stronger guarantees that it shall contribute to better quality and more diverse programme i.e. programme contents in the area in which the programme is to be broadcast. If the applicant is broadcasting a radio and/or TV programme at the time of application submission, the Council shall, while making a decision on granting a broadcasting licence, take also into consideration the applicant's hitherto contribution to the implementation of principles regulating relations in the broadcasting sector as set forth in Article 3 of this Law;
- 6) Ensure coordination of work with the telecommunications regulatory authority and timely submission of requests for radio station licences, so that a decision on the comprehensive broadcasting licence can be reached within a maximum of (90) ninety days after the date of the publication of the list of public tender applicants;
- 7) Publicise, in the same manner as the tender, the list of persons which have been awarded broadcasting licences;
- 8) Deliver the applicants, whose applications have been rejected, duly reasoned decisions thereof within eight days after the day the decisions on the public tender have been reached;
- 9) Submit one copy of the awarded licence to the telecommunications regulatory authority.

Objection to an Agency Decision

Article 54

A person, which has applied at the public tender and is dissatisfied with the Council decision, has the right to file an objection to the Council within 15 (fifteen) days after the day of receipt of the decision on application rejection.

The Council shall decide on the objection within 30 (thirty) days after the date of its submission.

An administrative lawsuit may be launched against the decision on the objection.

Register of Granted Broadcasting Licences

Article 55

The Agency shall maintain a register of issued broadcasting licences, which shall be public.

The Agency shall establish and update a database on the register it maintains.

Commencement of Broadcasting

Article 56

A broadcaster shall commence broadcasting the programme within a maximum of 90 days after the date of broadcasting licence receipt, but may not begin to broadcast the programme before fulfilling the terms for launching the radio station prescribed by a separate telecommunications law.

In the event a broadcaster does not act in keeping with para 1 of this Article, the broadcaster's broadcasting licence shall be revoked.

Deposit Refund

Article 57

A person, which has not been issued a broadcasting licence, shall receive the deposit refund within seven days after the day the decision on its application to the public tender has been reached, while the paid deposit shall be calculated as part of the broadcasting fee of a person which has been granted a licence.

The deposit is not refunded to a broadcasting licence holder which:

1. Informs the Council in written form before the expiration of the deadline for commencing broadcasting that it is relinquishing the use of the awarded broadcasting licence, i.e. the use of the radio frequency granted to it on that basis;
2. Does not commence broadcasting the programme within the set deadline.

Licence Granted at the Broadcaster's Request

Article 58

Notwithstanding the provisions of this Law, broadcasters, whose proposed service area is not fully covered due to terrain configuration, may submit a request to the Agency, without a public tender being called, to award them a broadcasting licence for additional coverage.

The Agency shall decide on the submitted request in coordination with the telecommunications regulatory authority, in keeping with the Radio Frequency Allocation Plan.

Validity and Extension of a Broadcasting Licence

Article 59

The licence to broadcast a radio and/or television programme shall be issued for a period of eight years.

The broadcasting licence may be issued for a shorter period of time at the request of the applicant.

The validity of the broadcasting licence may be extended at the request of the licence holder, which is obliged to submit the request to the Agency within six months before the expiration of the valid licence.

Issuance of a Broadcasting Licence of Shorter Validity

Article 60

The Agency may issue a broadcasting licence of shorter validity for the coverage of certain events.

The licence in para 1 of this Article shall be issued at the request of a natural or legal person intending to broadcast a programme exclusively linked to the holding of a certain event.

The licence in para 1 of this Article shall be temporary in character and shall be valid only for the duration of the event wherefore it was issued.

The time-restricted radio station licence, which is a composite part of the licence in para 1 of this Article, shall be issued by the telecommunications regulatory authority, in keeping with the provisions of a separate telecommunications law.

Broadcasting Licence Invalidation before Expiry

Article 61

A broadcasting licence shall cease to be valid prior to the expiry of its validity period in the following events:

- 1) If a broadcaster notifies the Agency in written form it no longer intends to broadcast its programme;
- 2) If it is established that, whilst applying, a broadcaster stated untrue data or omitted to state data material to the decision on its application either in the application for the public tender or in the accompanying documentation;
- 3) If the telecommunications regulatory authority revokes the issued radio station licence in respect of the provisions of a separate telecommunications law due to the occurrence of any reason envisaged by that law;
- 4) If a broadcaster has not commenced programme broadcasts within the prescribed deadline;
- 5) If a broadcaster has not conducted a technical inspection of the radio station within the prescribed timeframe;
- 6) If a broadcaster has for no justifiable reason ceased broadcasting programme for more than 30 consecutive days or for 60 days intermittently in one calendar year;
- 7) If a broadcaster has violated the provisions on prohibited concentration of media ownership envisaged by this Law;
- 8) If the Agency has imposed the sanction of revoking a broadcasting licence after a procedure in accordance with this Law and regulations passed on the basis of it because the broadcaster has violated its obligations or failed to comply with the terms and conditions prescribed by the broadcasting licence;
- 9) If the broadcaster has not paid the broadcasting licence fee despite a warning pronounced in written form;
- 10) If it transpires after the licence issuance that a founder of the broadcaster, which has been issued a broadcasting licence, is a foreign legal person registered in a country whose internal regulations do not allow or where it is impossible to determine the origin of the founding capital.

Licence Revocation Procedure

Article 62

In the event any of the reasons set forth in Article 61 of this Law occur, the validity of the broadcasting licence shall cease by an Agency decision on licence revocation.

The Agency shall regulate in greater detail the procedure for reaching the decision in para 1 of this Article, whereby the procedure shall be based on the principles of impartiality and fairness and the broadcaster shall be provided with the opportunity during the

procedure to be heard on the facts which have given cause to the procedure. The broadcaster's representative has the right to attend the Council session at which the revocation of the licence is discussed and to orally plead the broadcaster's defence at that opportunity.

The Council decision on revoking the broadcasting licence shall be reached by a two-thirds majority of all the Council members.

The decision in para 3 of this Article must be duly reasoned.

The broadcaster, whose broadcasting licence has been revoked, has the right to file an objection to the Council within eight days after the Council has delivered it the decision.

The objection stays the implementation of the decision.

An administrative lawsuit may be launched against the Council decision on the objection.

The broadcaster shall forthwith obey the final Council decision on licence revocation, and if it fails to comply, the procedure of forced Council decision execution shall be applied in keeping with this Law.

Broadcasting Licence Revocation as a Sanction for Violating Broadcaster

Obligations

Article 63

The Council shall pronounce a temporary broadcasting licence revocation lasting up to 30 (thirty) days against a broadcaster which, despite the warning pronounced in terms to

Article 18 of this Law, continues failing to abide by the provisions of this Law or regulations passed on the basis of it or does not abide by the terms embodied in the broadcasting licence or does not act pursuant to measures for remedying the violations specified in the Council warning.

The permanent revocation of a broadcasting licence shall be pronounced against a broadcaster which has not fulfilled its obligations and has previously been punished at least three times by temporary broadcasting licence revocation.

Broadcasting Licence Expiration

Article 64

A broadcasting licence shall no longer be valid upon expiration of the term for which the broadcasting licence was issued unless the Agency has reached a decision on its extension in keeping with Article 59 of this Law.

Procedure of Forced Execution of Council Decision

Article 64a

The Council decision on licence revocation, or on prohibition of programme broadcasting, shall be delivered forthwith to the broadcaster, or the natural or legal person broadcasting the programme without the broadcasting licence.

If the authorised person of the broadcaster, or the natural person or the authorised person of the legal person broadcasting the programme without the licence, refuses to receive the

Agency decision referred to in para 1 of this Article, that decision shall be deemed delivered when attached by the Agency's authorised person to the entrance door of the business premises used by the broadcaster, or the natural or legal person broadcasting the programme without the licence.

The broadcaster whose broadcasting licence has been temporarily or permanently revoked, as well as the legal or natural person broadcasting the programme without the licence, shall cease broadcasting the programme immediately after the Council decision on licence revocation or the decision on prohibition of programme broadcasting becomes final.

If the broadcaster, or the natural or legal person broadcasting the programme without the licence, does not cease broadcasting the programme themselves within the time limit referred to in para 3 of this Article, the Council decision shall be executed by the person employed with the Agency and authorised by the Council, by sealing the premises containing the telecommunication equipment of the broadcaster, or the natural or legal person broadcasting the programme without the licence, including the radio station.

The person authorised for forced execution of the Council decision shall be issued an identification card which that person shall present to the broadcaster's authorised person or other interested person, or the natural person or the authorised person of the legal person broadcasting the programme without the licence, when entering their business premises for the purpose of forced execution of the Council decision.

The contents and form of the identification card referred to in para 5 of this Article shall be prescribed by the Council.

In executing the procedure referred to in para 5 of this Article, the Agency shall be entitled to seek help of the Ministry of Interior, if needed.

Revision of Terms Set in the Radio Station Licence

Article 65

The terms set in the radio station licence may be revised by the telecommunications regulatory authority during the work of that radio station only in keeping with a separate

telecommunications law and regulations passed on the basis of that law.

3. Broadcasting Fee Fee Payment Obligation

Article 66

The broadcaster shall pay an appropriate fee for the right to broadcast programme (hereinafter broadcasting fee).

In addition to the fee set forth in para 1 of this Article, the broadcaster shall also pay the fee for the use of a radio frequency (a fee for the radio station licence). The fee for the radio station licence shall be fixed and the manner of payment shall be determined in keeping with a separate telecommunications law and regulations based on that law. The fee for the radio station licence shall be paid to the account of the telecommunications regulatory authority.

The broadcasting fee shall be paid to the account of the Agency.

The broadcasting fee shall be fixed on the basis of the following criteria:

1. Number of residents in the area in which the programme is broadcast on the basis of official data of the authorised statistics authority; and,
2. Programme concept of the broadcaster, i.e. the origin and type of programme being broadcast, notably:
 - a) proportion of scientific, educational, cultural, art, children or self-produced news programmes in the entire broadcast programme;
 - b) proportion of self-produced programmes or programmes of independent producers with contents listed in point 1) of this sub-para above the quota set by this Law;
 - c) proportion of the programme of other domestic broadcasters or translated foreign programmes.

The Agency shall set the broadcasting fee with the consent of the Government of the Republic of Serbia, whereby the radio programme fee shall amount to 5% of the fee set for the broadcasting of television programmes.

The programme broadcasting fee shall be fixed on an annual basis and the broadcaster shall pay the Agency 1/12 of the set annual fee on a monthly basis, with the exception of the time when the licence is issued.

The Agency shall pass detailed guidelines for setting the broadcasting fee in keeping with criteria set forth in para 4 of this Article.

The Agency may revise the fee amount during the validity of a broadcasting licence depending on the changes in the broadcast programme. The Agency decision on amending the fee amount must be duly reasoned.

For the first six months of broadcasting, a broadcaster shall pay the total sum of six monthly instalments in para 5 of this Article for exercising the right to broadcast programme within seven days after the day of receipt of the notification of the granted right. In the subsequent period, the broadcaster shall pay its monthly fee instalment by the fifth day of the month for the current month.

Exemption from the Obligation to Pay the Broadcasting Fee

Article 67

Public broadcasting service institutions of the Republic of Serbia and the autonomous provinces, radio and television stations of local and regional communities, which are wholly state-owned, and civil sector radio and television stations shall pay only the radio station fee (radio frequency use fee) and shall be exempt from paying the broadcasting fee.

The radio and television stations of local and regional communities, which are partly privately owned, shall pay part of the broadcasting fee proportionate to the share of private capital.

Radio and television stations of churches and religious communities shall not pay the broadcasting fees until the completion of the procedure restituting the property these churches and religious communities were deprived of through nationalisation, confiscation, expropriation et al. after World War Two .

IV BASIC PROGRAMME STANDARDS

Basic Broadcaster Obligations in Respect of Programme Content

Article 68

All broadcasters shall abide by the following standards in respect of programme content within their programme concept:

- 1) Ensure the production and broadcasting of quality programme both in terms of technology and of programme content by applying international and national standards;
- 2) Ensure free, comprehensive and timely informing of citizens;
- 3) Broadcast important urgent announcements regarding threat to human life, health, security or property;
- 4) Contribute to raising the overall culture and awareness of the citizens;

- 5) Shall not broadcast programmes the content of which may impair the physical, mental or moral development of children and youth, as well as clearly mark such programmes and, if they are broadcasting them, do so only between 2400 and 0600 hours;
- 6) Shall not broadcast programmes containing pornography or the content of which gives undue prominence to violence or is likely to incite violence, drug abuse or other forms of criminal behaviour, as well as programmes abusing the naiveté of the audience;
- 6a) Observe the prohibition of advertising political organisations outside election campaigns and provide equal representation without discrimination to registered political parties, coalitions and candidates during an election campaign;
- 7) Broadcast foreign programmes intended for pre-school children synchronised in Serbian or the languages of the national and ethnic minorities;
- All broadcasters shall keep the broadcast programme contents in keeping with regulations on public information, i.e. in keeping with regulations on the protection of cultural heritage.

Identification Obligation

Article 69

The name, logo, i.e. the abbreviated identification sign of the broadcaster must be continuously displayed throughout the broadcasting of the television programme or aired in an appropriate manner during the broadcasting of radio programmes.

The use of the name, logo or abbreviated identification sign incorrespondent to the registered name of the broadcaster shall be prohibited.

The provisions of a separate public information law shall apply to the broadcaster's identification obligation.

The name, logo, i.e. abbreviated identification sign of the broadcaster must be displayed also during the rebroadcasting of programmes of other broadcasters, whereas, in the event of broadcasting independent production programmes, the broadcaster's name shall be cited at the beginning or at the end of the programme.

Networking

Article 70

The networking of two or more broadcasters for simultaneous programme broadcasting without the use of additional radio frequencies or radio relay links is allowed for the duration of up to three hours per day in continuation or in summation. In exceptional circumstances, the Agency may reach a decision allowing networking of longer duration if it establishes that such a decision would be in the public interest. The Agency decision must be duly reasoned.

Networking, involving the establishing of radio relay links or link repeaters, may be only temporary in character and shall be approved by the telecommunications regulatory authority if such networking does not interfere with the broadcasting of programmes of other broadcasters.

Networking to broadcast the same programme is prohibited if it constitutes a violation of the provisions on concentration of media ownership embodied in this Law or the antimonopoly provisions set out in separate regulations.

Access to Major Events

Article 71

The Agency shall detail the list of events which are of interest to all citizens in the Republic of Serbia and for which the exclusive right to broadcast may be granted only to a broadcaster whose service area encompasses the entire territory of the Republic of Serbia in terms of Article 47 of this Law.

The broadcaster with the exclusive right to broadcast events included in the list in para 1 of this Article shall allow and enable all interested broadcasters to tape and broadcast short reports of the event lasting up to 90 seconds which shall contain the authentic picture and sound of the event.

Broadcasting in One's Native Tongue

Article 72

The broadcaster shall produce and broadcast programme in the Serbian language or ensure that the programmes produced in foreign languages are broadcast with a translation into Serbian.

The obligation in para 1 of this Article does not pertain to broadcasters producing and broadcasting programme intended for national minorities, or parts of the programme of the public broadcasting service institutions meeting the needs for information of national minorities in their mother tongues.

The obligation in para 1 of this Article does not pertain to the broadcasting of foreign music programmes, with the exception of television broadcasts of musical stage shows.

In exceptional circumstances, the Council may allow the broadcaster to air parts of a programme in foreign languages as well.

Self-Produced Programmes

Article 73

Of the total annual broadcasting time, a broadcaster shall broadcast at least 50% of programmes produced in the Serbian language, out of which at least 50% shall be produced by the broadcaster itself.

Broadcasters producing and broadcasting programmes for national minorities are obliged to broadcast at least 50% of their self-produced programme in the total annual broadcasting time in the languages of national minorities.

The total annual broadcasting time does not include reruns, carriage of sports events, game shows, advertisements and teleshopping, nor news programmes, with the exception of the broadcaster's self-produced news.

Self-produced programmes signify programmes or shows in which the self-produced audio or video material and/or co-authorship proportion of a show or programme account for over 50% of the television i.e. over 20% of the radio programmes, i.e. shows.

Self-produced programmes also entail co-productions.

Independent Production Quotas

Article 74

The public broadcasting service institutions of the Republic of Serbia and autonomous provinces, as well as the local and regional broadcasters, which are predominantly stateowned, are obliged to place at least 10% of their total annual broadcasting time at the disposal of independent radio and television productions.

Programmes older than five years may account for maximum 50% of the quota in para 1 of this Article.

Total annual broadcasting time does not include reruns, carriage of sports events, game shows, advertisements and teleshopping, nor the news programmes, with the exception of the news programmes produced by the broadcaster.

Accountability of Broadcasters

Article 75

A broadcaster shall be held accountable for the broadcast programme content in accordance with the provisions of a separate public information law.

V PUBLIC BROADCASTING SERVICE

Carriers of the Public Broadcasting Service

Article 76

Republican and provincial broadcasting institutions shall be the carriers of the public broadcasting service in the Republic of Serbia.

Broadcasting institutions in para 1 of this Article shall perform the activities of producing and broadcasting radio and television programme and shall have specific obligations in achieving public interest in the public broadcasting service sector, as determined by this Law.

Broadcasting institutions in para 1 of this Article shall have the status of a legal person.

Achieving Public Interest in the Public Broadcasting Service Sector

Article 77

Programmes produced and broadcast within a public broadcasting service shall be of public interest.

Programmes in para 1 of this Article shall encompass programmes with information, cultural, art, educational, religious, scientific, children's, entertainment, sports and other content, which ensure the meeting of the needs of citizens and other persons and the fulfilment of their rights in the broadcasting sector.

Programmes produced and broadcast within the public broadcasting service must ensure diversity and balance (mutual coordination or conformity) of content upholding democratic values of modern society, particularly the respect of human rights and cultural, national, ethnic and political pluralism of views and opinions.

Public Service Broadcasters' Obligations in Achieving Public Interest

Article 78

With the aim of achieving public interest in the broadcasting sector determined by this Law and in addition to general obligations of broadcasters in relation to programme content set forth in Article 68 of this Law, public broadcasting service carriers shall:

- 1) Ensure that programmes which are produced and broadcast, and particularly programmes with news content, are protected from any influence of the authorities, political organisations or centres of economic power;
- 2) Produce and broadcast programmes intended for all segments of society, without discrimination, particularly taking into consideration specific societal groups such as children and youth, minority and ethnic groups, handicapped, socially and medically vulnerable groups and the deaf-mute (with the obligation to simultaneously broadcast written text describing the audio segments of the action and dialogue) et al;
- 3) Adhere to linguistic and speech standards not only of the majority population but also,

- proportionately, of national minorities and ethnic groups in the area where the programme is being broadcast;
- 4) Ensure the satisfaction of the needs of citizens for programme content expressing cultural identity not only of the nation, but also of national minorities and ethnic groups, by enabling them to follow certain programmes or blocks of programmes in the areas where they live and work, in their native languages, both spoken and written;
 - 5) Provide adequate time slots for broadcasting content related to activities of civic associations and non-governmental organisations, as well as of religious communities in the area where the programme is being broadcast;
 - 6) Provide during election campaigns free-of-charge and balanced broadcasts of promotions of political parties, coalitions and candidates for Serbia and Montenegro parliamentary elections, republican, provincial or local elections, whose candidacies have been accepted, whereat these broadcasters may not broadcast a paid election promotion and, pursuant to their general by-laws, may refuse to broadcast programmes and advertisements if these do not serve the election campaign;
 - 7) Envisage in their annual plans the broadcasting of independently produced programmes, the selection of which is based on a public tender and upon the conclusion of a contract in written form with the independent producer at customary market conditions;
- 8) Enable the use of self-produced teletext or teletext independently produced by a third party at the recommendation of the Agency;
 - 9) Ensure the use and development of modern technical and technological standards in programme production and broadcasting, draft and duly fulfil plans of transferring to new digital technologies;
 - 10) Respect the traditional spiritual, historical, cultural, humanitarian and educational importance and role of churches and religious communities in society.
 - 11) Mutually cooperate and exchange programme contents of interest to the citizens of Serbia.

Special Obligations Regarding News Programme Production and Broadcasting

Article 79

Public broadcasting service carriers shall in their news programme production and broadcasting abide by the principles of impartiality and fairness in treating different political interests and different persons, uphold the freedom and pluralism of the public expression of opinions, and prevent any form of racial, religious, national, ethnic or other intolerance or hatred, or intolerance on the grounds of sexual affiliation.

Financing of a Public Broadcasting Service

Article 80

A radio-television subscription shall be collected to finance the activities of public broadcasting service institutions related to activities in the public interest as determined by this Law.

For the fulfilment of other tasks within the scope of its activities, the public broadcasting service shall acquire resources from:

- 1) The production and broadcasting of advertisements;
- 2) The production and sales of audio-visual programmes (shows, films, serials, video and audio tapes, CDs, DVDs, etc.);
- 3) The production of other programme services (teletext, etc.);
- 4) Organising concerts and other performances;
- 5) Performing other activities laid down in the Statute;
- 6) Other sources, in keeping with the law.

Radio-Television Subscription

Article 81

Owners of radio and TV receivers shall pay radio-television subscription to public broadcasting services, in keeping with this Law.

Owners of radio and TV receivers shall pay an identical flat RTV subscription across the entire territory of the Republic of Serbia.

Radio-television subscription (hereinafter subscription) shall be paid for radio and television receivers (hereinafter receiver) per household and for receivers linked to joint antennae or connected to a cable system.

One household, owner of two or more receivers, notwithstanding receivers in motor vehicles, shall pay the subscription for only one radio or television receiver at the same address.

Hotels and motels shall pay one subscription per every ten rooms equipped with television or radio receivers, whereas any other legal person, the owner of a television receiver, shall pay the subscription per every 20 employees capable of receiving the programme.

The obligation to pay the subscription shall begin on the first day of the month following

the day the receiver was purchased.

All natural and legal persons, which are owners of a receiver, shall report the purchase of the receiver to the republican public broadcasting service institution while the persons in the Autonomous Province of Vojvodina shall report the purchase to the provincial public broadcasting service institution..

The obligation to report the receiver or report the receiver owner's change of address or change of head office shall be fulfilled within 15 days from the day of the receiver purchase or the change.

In the event of alienating the receiver, the former owner of the receiver shall pay the subscription until the cancellation of the receiver registration and shall submit a statement that s/he does not own another receiver.

The republican public broadcasting service institution shall keep a register of subscribers, with all personal and other necessary data. In the Autonomous Province of Vojvodina, these records shall be kept by the provincial public broadcasting service institution.

A public broadcasting service institution may not execute control of ownership of receivers in a manner that would jeopardise the citizens' constitutional rights.

Exemption from the Obligation to Pay Subscription

Article 82

Exempted from the obligation to pay subscription are households - owners of receivers - with at least one household member who is:

- 1) An invalid with 100% physical disability;
- 2) An invalid with less than 100% physical disability who, in keeping with provisions of other specific regulations, has been granted a right to a subsidy for external care and assistance;
- 3) An individual with permanent loss of hearing or a blind individual.

The right to exemption from the obligation to pay the subscription set forth in para 1 of this Article is exercised on the basis of a certificate issued by a competent pension and disability insurance institution, i.e. another institution or body if so stipulated by a separate law.

The following legal persons are exempted from the obligation to pay subscription:

- 1) Institutions, which in terms of Article 79 of the Law on Social Protection and Provision of Social Security of Citizens (Official Gazette of the Republic of Serbia, Nos. 36/91, 33/93, 53/93, 67/93, 46/94, 48/94, 52/96 and 29/2001) are deemed institutions for the accommodation of the beneficiaries, schools, health institutions and organisations of the disabled, and firms for training and employing the disabled;
- 2) Diplomatic-consular representation offices, on a reciprocal basis.

The Rates and Modes of Subscription Payment

Article 83

The rate of monthly subscription for receivers used in households and for receivers owned by legal persons shall be 210 dinars.

The rate of annual subscription for a receiver used in a motor vehicle shall be 440 dinars. The subscription in para 1 of this Article shall be paid on a monthly basis, by the 15th day of the current month for the preceding month.

The subscription in para 2 of this Article shall be paid on an annual basis, by a special money order, during the registration of a motor vehicle.

Seventy (70) percent of the revenue collected from the subscription in the territory of the autonomous province shall belong to the province's public broadcasting service institution. The Broadcasting Institution of Serbia shall transfer these funds to the public broadcasting service institution of the autonomous province within three days after payment collection.

The Broadcasting Institution of Serbia shall pay to a separate account of the Republic of Serbia budget 1.5% of its overall monthly subscription for the development of the domestic film industry.

The subscription rates in paras 1 and 2 of this Article in the year 2003 and each following year shall be harmonised with the retail price growth index in the Republic of Serbia in the preceding calendar year, in accordance with data officially published by the authorised statistics body, increased by 5%.

The collection of monthly subscription shall be performed via the public company which performs electric power production and distribution, in a manner defined by a contract the republican public broadcasting service institution concludes with that company.

Obligations relating to the Proposed Service Area

Article 84

The Broadcasting Institution of Serbia shall broadcast its programme in the entire territory of the Republic of Serbia within the MF, VHF and UHF frequency bands assigned to the broadcasting service. The Broadcasting Institution of Serbia shall

broadcast programme outside the territory of the Republic within the HF frequency bands.

The public broadcasting service institution of the autonomous province shall broadcast programme in the territory of the autonomous province within the MF, VHF and UHF frequency bands assigned to the broadcasting service.

The Broadcasting Institution of Serbia shall broadcast its radio programme via three networks within the MF band and three networks within the VHF band, and its television programme via two networks within the VHF/UHF band.

The public broadcasting service institution of the autonomous province shall broadcast its radio programme via two networks within the MF band and three networks within the VHF band, and its television programme via two networks in the VHF/UHF band.

Before the commencement of broadcasting, institutions in paras 1 and 2 of this Article are obliged to obtain radio station licences, which are issued, at the request of the Agency, by a telecommunications regulatory authority in keeping with the Radio Frequency Allocation Plan.

Serbian Broadcasting Service Institution

Article 85

In order to perform the activities of a public broadcasting service in the territory of the Republic of Serbia, the Broadcasting Institution of Serbia shall be set up with its head office in Belgrade.

The assets for the founding and operation of the Broadcasting Institution of Serbia shall include the immovable property and other resources used by the Public Company Radio Television of Serbia, determined by the division of assets dividing the assets, rights and obligations of the Public Company Radio Television of Serbia between the Broadcasting Institution of Serbia and the Broadcasting Institution of Vojvodina.

The Broadcasting Institution of Serbia shall use the immovable property and broadcasting infrastructure assets in para 2 of this Article (buildings, antenna systems, radio-relay systems et al.) as stipulated in the contract concluded by the authorised persons of the Broadcasting Institution of Serbia and the Republic of Serbia Property Directorate.

Bodies of the Broadcasting Institution of Serbia

Article 86

Bodies of the Broadcasting Institution of Serbia shall comprise: the Managing Board and the General Manager.

The Programme Board shall be the consultative body of the Broadcasting Institution of Serbia.

Managing Board

Article 87

The body managing the Broadcasting Institution of Serbia shall be the Managing Board, which has nine members.

Members of the Managing Board shall be appointed and dismissed by the Agency.

Members of the Managing Board shall be named from amongst the ranks of journalists and prominent experts in media, management, law and finance, as well as from among other prominent figures.

Members of the Assembly of Serbia and Montenegro and Republican Assembly deputies, deputies of the autonomous provincial assembly, members of the Agency Council, members of Government or of executive bodies of an autonomous province, individuals appointed to the Government, an executive body of an autonomous province or the republican, that is, provincial bodies, as well as officials of political parties (leaders of political parties, their deputies, members of party presidencies, main and executive party boards and other officials) may not be members of the Managing Board.

The term of office of Managing Board members is five years and an individual may be appointed member of the Managing Board for a maximum of two consecutive terms. In their work, members of the Managing Board shall be autonomous and shall ensure the consistent implementation of the provisions of this Law with regard to the public broadcasting service.

The Mode of Operation of the Managing Board

Article 88

The Managing Board shall adopt standing orders on its work.

The Managing Board shall elect its Chairperson from amongst its members.

The Managing Board shall make decisions by a majority vote of all members of the Managing Board, unless the Statute envisages a two-thirds majority vote of all the Managing Board members for certain decisions. In the event of a draw, the Chairperson shall have the prevailing vote.

Members of the Managing Board shall be entitled to financial remuneration for their work, the level of which shall be determined by the Agency.

Managing Board's Duties

Article 89

The Managing Board shall:

1. Adopt the Statute of the Broadcasting Institution of Serbia (hereinafter Statute) with the Agency's consent, adopt business plans and reports on activities of the Broadcasting Institution of Serbia and periodical and annual profit and loss accounts and inform the public, the Agency and the Assembly thereof;
2. Appoint and dismiss the General Manager of the Broadcasting Institution of Serbia by a two-thirds majority vote of all the Managing Board members, whereby the decision on appointment shall be made after a public tender;
3. Appoint and dismiss radio and television directors, programme editors-in-chief by a two-thirds majority vote of all members of the Managing Board, whereby the decision on appointment shall be made at the recommendation of the General Manager after a public tender;
4. Approve the General Manager's general by-law on the systematisation of duties and tasks in the Broadcasting Institution of Serbia;
5. Adopt investment plans;
6. Consider recommendations of the Programme Board;
7. Determine the mode of registering and cancelling the registration of receivers;
8. Perform other activities determined by the law and the Statute.

General Manager

Article 90

The General Manager shall:

1. Act for and on behalf of the Broadcasting Institution of Serbia;
2. Organise and manage the process of work and run the business activities of the Institution;
3. Ensure the legality of the work and business activities;
4. Execute decisions of the Managing Board;
5. Consider recommendations of the Programme Board;
6. Be held accountable for the fulfilment of the programme concept and ensure the execution of adopted business plans and the implementation of the provisions of this Law which relate to the public broadcasting service;
7. Recommend to the Managing Board the appointment of directors of radio and television and programme editors-in-chief;
8. Pass general by-laws on the systematisation of duties and tasks and on the organisation of work in the Broadcasting Institution of Serbia;
9. Perform other duties determined by law and the Statute.

The term of office of the General Manager shall be four years and an individual may be appointed General Manager for two consecutive terms at most.

An individual, ineligible for the post of a member of the Managing Board of the Broadcasting Institution of Serbia, may not be appointed its General Manager.

Auditing

Article 91

All profit and loss accounts and financial statements of the Broadcasting Institution of Serbia shall be subject to annual audit by an independent authorised auditor.

The Programme Board

Article 92

The Programme Board shall advocate the interests of all viewers and listeners.

The Programme Board shall consider the implementation of the programme concept of the Broadcasting Institution of Serbia and shall thereon submit recommendations and proposals to the General Manager and the Managing Board.

The Programme Board shall consist of 19 members appointed by the Assembly, seven of whom are deputies, while 12 (twelve), nominated by the Agency, shall come from amongst professional associations, scientific institutions, religious communities, civic associations, non-governmental organisations et al.

Individuals elected or appointed to Government or republican bodies or the Agency Council members may not be members of the Programme Board.

The term of office of the members of the Programme Board shall be three years and they may not be reappointed.

The statute of the Broadcasting Institution of Serbia shall detail the mode of operation of the Programme Board.

The Broadcasting Institution of Serbia shall provide conditions for the work of the Programme Board.

Statute of the Broadcasting Institution of Serbia

Article 93

The Statute of the Broadcasting Institution of Serbia shall especially detail: in-house

organisation, mode of operation, manner for achieving public interests in the broadcasting sector, the rights and obligations of journalists in fulfilling public information duties, development planning, investment and information technology policies, and other issues relevant to the work and the functioning of the Broadcasting Institution of Serbia.

The Statute of the Broadcasting Institution of Serbia shall be approved by the Agency.

Broadcasting Institution of Vojvodina

Article 94

The Broadcasting Institution of Vojvodina shall be set up with its head office in Novi Sad in order to perform the activities of a public broadcasting service in the territory of the Autonomous Province of Vojvodina.

The assets for the founding and operation of the Broadcasting Institution of Vojvodina shall comprise the immovable property and other resources used by the Public Company Radio Television of Serbia, determined by the division of assets dividing the resources, rights and obligations of the Public Company Radio Television of Serbia between the Broadcasting Institution of Serbia and the Broadcasting Institution of Vojvodina.

The Broadcasting Institution of Vojvodina shall use the immovable property and broadcasting infrastructure assets in para 2 of this Article (buildings, antenna systems, radio-relay systems et al.) as stipulated in the contract concluded by the authorised persons of the Broadcasting Institution of Vojvodina and the Republic of Serbia Property Directorate.

The provisions of this Law related to the bodies of the Broadcasting Institution of Serbia, their competencies, the Programme Board, the auditing of financial statements, and provisions with regard to the Statute of the Broadcasting Institution of Serbia, shall be applied to the Broadcasting Institution of Vojvodina.

The Agency shall appoint members of the Managing Board of the Broadcasting Institution of Vojvodina from amongst individuals who live and work in the territory of the Autonomous Province of Vojvodina.

The Programme Board of the Broadcasting Institution of Vojvodina shall be appointed by the Assembly of the Autonomous Province of Vojvodina.

Radio and/or Television Stations of the Civil Sector

Article 95

Radio and/or television stations of the civil sector are those stations which satisfy specific interests of particular social groups and civic associations.

Radio and/or television stations in para 1 of this Article may be founded by a civil society non-profit organisation (a non-governmental organisation or a civic association).

The content of the programme broadcast by civil sector radio and/or television station must be related to the field of activity of the non-governmental organisation or the civic association which founded the station.

Civil sector radio and/or television stations may be founded to cover only a local area.

Civil sector radio and/or television stations may not be profit-making.

Provisions of this Law pertaining to the public service broadcaster with respect to special programme production obligations shall apply to civil sector radio and/or television stations.

Civil sector radio and/or television stations shall be granted a broadcasting licence upon their participation in a public tender for a proposed service area, but they need not pay the broadcasting fee.

Resources for the work of radio and/or television stations of the civil sector may be provided from donations, citizens' contributions, sponsorship and other sources of revenue, in keeping with a separate law regulating the founding and the activities of civic associations and non-governmental organisations. Revenues raised through sponsorship and advertising shall be subject to the provisions of this Law which pertain to a public service broadcaster.

The mode of management of a civil sector radio and/or television station shall be detailed in the station Statute, which shall be approved by the Agency.

If a civil sector radio and/or television station changes its status in the course of its work or broadcasts a programme or uses sponsorships and advertisements in contravention of the provisions of this Law, its licence shall be revoked before validity expiry and it shall make a retroactive payment of the broadcasting fee for the period of work since the occurrence of reasons for launching the licence revocation procedure.

Radio and/or Television Stations of Local and Regional Communities

Article 96

A radio and/or television station of a local community is founded by a municipal assembly.

A radio and/or television stations of a regional community is founded by two or more municipal assemblies.

A station set up by a city assembly also has the status of a radio and/or television station of a regional community.

A municipal assembly may set up only one local radio and/or television station, while two or more municipal assemblies or a city assembly may set up only one regional radio and/or television station, and these radio and/or television stations shall broadcast only one radio and/or television programme.

If a municipal assembly is a co-founder of a regional radio and/or television station, it may not simultaneously be the founder of a local radio and/or television station.

Radio and/or television stations in paras 1, 2 and 3 of this Article may be in mixed ownership. These stations shall have the status of a public company as long as the state-owned resources represent the majority stake in their total capital.

Radio and/or television stations in paras 1, 2 and 3 of this Article shall be granted licences after participation in a public tender called for the proposed service area.

Radio and/or television stations in paras 1, 2 and 3 of this Article are obliged to comply with provisions of this Law which relate to special obligations of a public service broadcaster regarding programme production and broadcasting, as long as they have the status of a public company.

Deputies in the Assembly of Serbia and Montenegro and republican deputies, deputies of the assembly of the autonomous province, municipal councilmen, individuals elected or appointed to the bodies of Serbia and Montenegro, republican, provincial or local executive bodies, as well as political party officials may not be directors, editors-in-chief or members of the managing boards of local and/or regional radio and/or television stations as long as these stations have the status of a public company.

Radio and/or television stations in paras 1, 2 and 3 of this Article are obliged to privatise by 31 December 2007.

The Agency shall revoke the broadcasting licence to the radio and/or television stations referred to in paras 1, 2 and 3 of this Article which exceed the time limit referred to in para 10 of this Article

Privately owned radio and/or television stations, which have not been founded by one or more municipal assemblies i.e. a city assembly, or stations in which the state does not possess a majority shareholding interest, may also broadcast in the territory of one or more municipalities as well as in the territory of a city. Such stations shall not enjoy the special status of local or regional radio and/or television stations and provisions of this Law applying to commercial radio and TV stations shall apply to them.

VI PREVENTION OF PROHIBITED CONCENTRATION OF MEDIA OWNERSHIP

Concentration of Media Ownership

Article 97

Concentration of media ownership, in terms of this Law, exists when a broadcaster:

- 1) Possesses a share in the founding capital of another broadcaster;
- 2) Possesses a share in the founding capital of a company publishing a daily newspaper, or vice versa;
- 3) Possesses a share in the founding capital of a company performing the activities of a news agency, or vice versa;
- 4) Simultaneously possesses several broadcasting licences;
- 5) Simultaneously broadcasts both radio and television programmes;
- 6) Simultaneously broadcasts a radio and/or television programme and publishes a daily newspaper distributed in the area in which the radio and/or television programme is broadcast; or
- 7) Simultaneously broadcasts a radio and/or television programme and performs the activities of a news agency.

Concentration of media ownership in terms of this Law also exists when founders of a broadcaster are legal or natural persons, who are at the same time:

- 1) Founders of another broadcaster;
- 2) Founders of a company publishing a daily newspaper distributed in the area in which the radio and/or television programme is broadcast;
- 3) Founders of a company or a shop performing the activities of a news agency; or
- 4) Spouses or direct relations regardless of the degree of kinship.

Prohibited Concentration of Media Ownership

Article 98

Prohibited concentration of media ownership, i.e. prevalent influence on the public opinion, shall exist in terms of this Law, when a broadcaster violates principles of the pluralism of opinions in the mass media in one of the following ways:

- 1) By participating in the founding capital of another broadcaster;
- 2) By participating in the founding capital of a newspaper-publishing company;

- 3) By participating in the founding capital of a company performing the activities of a news agency;
- 4) By simultaneously broadcasting both radio and television programmes in the same area as the only broadcaster; or
- 5) In any other way determined by the provisions of this Law.

Prohibited concentration of media ownership, in terms of this Law, shall also exist when a founder of a newspaper-publishing company or of a company performing the activities of a news agency violates the principles of pluralism of opinions in mass media by taking part in the founding capital of a broadcaster.

Article 99

Prohibited concentration of media ownership, i.e. prevalent influence on the public opinion, shall be considered to exist always when:

- 1) A broadcaster, licensed to broadcast programme at the national level of coverage, has a share exceeding 5% in the founding capital of another broadcaster with the same type of licence;
- 2) A broadcaster is broadcasting more than one television and more than one radio programme in the same area;
- 3) A broadcaster, licensed to broadcast programme at the national level of coverage, has a share exceeding 5% in the founding capital of a company publishing a daily newspaper with a circulation of more than 30,000, and vice versa;
- 4) A broadcaster, licensed to broadcast programme at the national level of coverage, has a share exceeding 5% percent in the founding capital of a company performing the activity of a news agency, and vice versa;
- 5) A broadcaster, licensed to broadcast programme at the national level of coverage, simultaneously publishes a daily newspaper with a circulation exceeding 30,000;
- 6) A broadcaster, with the status of a local or regional radio or television station, has a share exceeding 30% in the founding capital of another local or regional broadcaster in the same area;
- 7) A broadcaster, which has the status of a local or regional radio or television station, is simultaneously publishing a local daily newspaper in the same or neighbouring area.

Article 100

Prohibited concentration of media ownership, i.e. prevalent influence on the public opinion, shall also be deemed existent when, in the events set forth in Article 99 of this Law, a natural person, who is the founder of a broadcaster or a company publishing a daily newspaper or performing the activities of a news agency, or his/her direct relatives regardless of the degree of kinship or his/her spouse, takes part in the founding capital of another broadcaster, of a company publishing a daily newspaper or performing the activities of a news agency, up to the set level of the founding capital.

Broadcasting Licence Issuance and Prohibited Concentration of Media Ownership

Article 101

The Agency shall not issue a broadcasting licence to an applicant at the public tender if it establishes that issuing the licence would result in prohibited concentration of media ownership in terms of this Law.

An applicant for the public tender shall submit together with the application form a certified statement that the issuance of the broadcasting licence would not result in prohibited concentration of media ownership in terms of the provisions of this Law.

Article 102

If the Agency establishes that the prohibited concentration of media ownership occurred after the granting of the licence, it shall order the broadcaster to bring its status into accordance with the provisions of this Law related to prohibited concentration of media ownership within six months.

If the broadcaster does not act in accordance with the order in para 1 of this Article without a justifiable reason within the set deadline, the Agency shall launch the procedure for revoking the broadcasting licence.

Notification of Change in the Broadcaster's Ownership Structure

Article 103

A broadcaster shall notify in written form the Agency of any change in its ownership structure prior to the change.

If the Agency establishes that the planned changes in the ownership structure would result in prohibited concentration of media ownership, it shall recommend to the broadcaster to revise the changes so as to avoid prohibited concentration of media ownership.

If the broadcaster does not act in keeping with the Agency recommendation and proceeds with the ownership structure change whereby prohibited concentration of media ownership occurs, provisions of this Law with respect to broadcasting licence termination before expiry shall be applied to the broadcaster.

VII ADVERTISING AND SPONSORSHIP

1. Advertising and Teleshopping

Permissibility of Advertisements and Teleshopping

Article 104*

(Ceased to apply)

* The provisions of Articles 104-105 and Articles 107-112 of this Law ceased to apply as of the effective day of the Advertising Law (Official Gazette of the RS, No. 79/05).

Modes of Broadcasting Advertisements

Article 105

(Ceased to apply)

Advertising of Political Organisations

Article 106

All advertising of political organisations shall be prohibited outside election campaigns. During an election campaign, registered parties, coalitions and candidates may advertise on the basis of equal representation and without discrimination.

Mediation in Advertising

Article 107

(Ceased to apply)

Duration of Advertisements

Article 108

(Ceased to apply)

Article 109

(Ceased to apply)

2. Sponsorship

Concept

Article 110

(Ceased to apply)

Identification of a Sponsored Programme

Article 111

(Ceased to apply)

Prohibition of Sponsor's Influence on Programme Content and Time

Article 112

(Ceased to apply)

VIII PENAL PROVISIONS

Article 113

A fine between 300,000 and 1,000,000 dinars shall be imposed on a legal person which commits the following misdemeanour:

- 1) Broadcasts programme without an Agency licence (Article 38.);
- 2) Broadcasts a programme in contravention of programme and/or technical standards laid down in the licence (Article 39, para 3);
- 2a) Broadcasts a programme without a cable or satellite broadcasting licence (Article 40);
- 3) Cedes, leases or in any other way transfers or alienates, temporarily or permanently, the granted broadcasting licence (Article 46);
- 4) Uses a radio frequency jointly with another natural or legal person without the Agency's approval or in contravention of the granted approval (Article 48);
- 5) Broadcasts without a licence a programme, which requires a broadcasting licence with a limited period of validity (Article 60);
- 6) Broadcasts programme in contravention of the granted broadcasting licence with a limited period of validity (Article 60)
- 7) Broadcasts programme after the expiry of the broadcasting licence (Article 64);
- 7a) Fails to obtain a prior approval of the Agency for foreign capital investment (Article 66 para 4);
- 8) Fails to broadcast an important and urgent announcement (Article 68, para 1, sub-para 3);
- 9) Broadcasts programme content in contravention of Article 68, para 1, sub-paragraphs 5 and 6 of this Law;
- 10) Fails to identify its programme in keeping with Article 69, para 1 of this Law;
- 11) Uses a name, logo or abbreviated identification sign which does not correspond to the registered name of the broadcaster (Article 69, para 2);
- 12) Fails to identify the broadcaster or independent production whose programme it has broadcast or rebroadcast (Article 69, para 4);
- 13) Networks in contravention of Article 70 of this Law;
- 14) Does not allow other interested broadcasters to record and broadcast short reports of events for which the broadcaster had purchased the broadcasting right

- (Article 71, para 2);
- 15) Omits to report the change in ownership structure (Article 103);
- 16)* (ceased to apply);
- 17) (ceased to apply);
- 18) (ceased to apply);
- 19) Broadcasts political advertisements outside an election campaign (Article 106, para 1);
- 20) (ceased to apply);
- 21) (ceased to apply);
- 22) (ceased to apply);
- 23) (ceased to apply);
- 24) (ceased to apply);
- 25) (ceased to apply);
- 26) (ceased to apply);

For a misdemeanour in para 1 of this Article, a fine between 20,000 and 50,000 dinars shall be imposed on the legal person's responsible person or the natural person.

A fine amounting to the sum of 12 monthly radio-television subscription rates shall be imposed on a legal or natural person who has omitted to register the purchase of a radio and/or TV receiver, in keeping with Article 81 of this Law.

IX INTERIM AND FINAL PROVISIONS

Article 114

Authorised nominators in Article 23 para 3 of this Law shall submit to the Assembly their lists of nominees for Agency Council members within 45 (forty-five) days after the day this Law comes into effect.

* The provisions of items 16-18 and items 20-28 of para 1 of this Article ceased to apply as of the effective day of the Advertising Law (Official Gazette of the RS, No. 79/05).

Article 115

The Assembly shall decide on the appointment of the members of the Agency Council nominated by authorised nominators in Article 23 para 3 of this Law within 45 (fortyfive) days after the expiry of the deadline for submitting the nominations.

Article 116

The Agency Council shall be constituted within 15 (fifteen) days from the day the Council members were appointed in keeping with Article 115 of this Law.

At its constituent session, the Agency Council is obliged to determine the nominee for the ninth seat in the Council in keeping with Article 23 paras 4 and 5 of this Law and to submit the nomination to the Assembly.

The Assembly shall decide on the appointment of the ninth Council member within 30 days from the day the nomination in para 2 of this Article was submitted.

The Agency Council is obliged to appoint the Chairperson and deputy Chairperson, pass its Statute, standing orders and general by-laws on the systematisation of duties and tasks and the in-house organisation of the Agency within seven days from the day of appointment of the ninth Council member.

The Agency Council and Council Chairperson shall hire and assign jobs to the required number of employees in the Agency within 45 days after the day of the adoption of general by-laws in para 4 of this Article.

The Agency shall commence work the day the Council of the Agency is constituted. The Government shall provide premises, technical, financial and other material resources for the beginning of the work of the Agency within 60 (sixty) days from the day this Law takes effect.

Article 117

Other Agency general by-laws, necessary for its functioning and work, shall be adopted within six months at the latest from the day the Agency commences work.

General by-laws required for the calling of a public tender and the issue of broadcasting licences shall be passed within three months from the day the Agency commences work.

Article 118

The Agency shall begin issuing invitations for a public tender for broadcasting licences within 15 (fifteen) days from the day of adoption of by-laws, which are required for calling a public tender and granting broadcasting licences in keeping with the provisions of this Law and a separate telecommunications law.

The Agency shall call public tenders for broadcasting licences in the following order:

- 1) For the territory of the whole Republic;
- 2) For the territory of the autonomous province and regions;
- 3) For local areas.

Article 119

Radio and/or television stations, which are broadcasting a programme at the time this

Law comes into effect, shall continue broadcasts until the completion of a relevant broadcasting licence public tender, which shall be called in keeping with the provisions of this Law.

Article 120

The division of assets in Article 85, para 2, i.e. Article 94, para 2, of this Law shall be adopted by the Government, by 31 March 2006 at the latest at the proposal of a committee made up of three representatives each of the Government, the Executive Council of the Autonomous Province of Vojvodina and the Public Company Radio-Television of Serbia.

The committee in para 1 of this Article shall be formed by the Government. In keeping with the provisions of this Law, the Broadcasting Institution of Serbia and the Broadcasting Institution of Vojvodina shall continue using the radio frequencies used by the Public Company Radio-Television Serbia until radio station licences are issued in keeping with the Radio Frequency Allocation Plan and this Law.

The Broadcasting Institution of Serbia and the Broadcasting Institution of Vojvodina shall commence work on 30 April 2006 at the latest.

The Government shall establish a special transitional fund from which, until the expiry of the time limit for transformation of the Public Company Radio-Television of Serbia into the Broadcasting Institution of Serbia and the Broadcasting Institution of Vojvodina, the funds will be provided that are necessary for the operation of the Public Company Radio-Television of Serbia.

Article 121

The Agency shall appoint the Managing Board of the Broadcasting Institution of Serbia and the Managing Board of the Broadcasting Institution of Vojvodina at least 30 (thirty) days before the day the Broadcasting Institution of Serbia and the Broadcasting Institution of Vojvodina commence work.

The Managing Board of the Broadcasting Institution of Serbia and the Managing Board of the Broadcasting Institution of Vojvodina shall be constituted within seven days from the day of appointment.

At their constituent sessions, the Managing Boards of the Broadcasting Institution of Serbia and of the Broadcasting Institution of Vojvodina shall reach a decision to call a public tender for the appointment of the General Manager of the Broadcasting Institution of Serbia and the General Manager of the Broadcasting Institution of Vojvodina.

The Managing Boards of the Broadcasting Institution of Serbia and the Broadcasting Institution of Vojvodina shall appoint the General Manager of the Broadcasting Institution of Serbia and the General Manager of the Broadcasting Institution of Vojvodina, within 15 (fifteen) days from the day the deadline for submitting applications to the public job tender has expired.

In the event that they fail to reach a decision on appointment upon the called public tender in para 4 of this Article, the Managing Boards of the Broadcasting Institution of Serbia and the Broadcasting Institution of Vojvodina shall appoint an acting General Manager of the Broadcasting Institution of Serbia and an acting General Manager of the Broadcasting Institution of Vojvodina until the appointment of their respective General Managers.

The Managing Board of the Broadcasting Institution of Serbia, i.e. the Managing Board of the Broadcasting Institution of Vojvodina shall pass the statutes of these institutions within 30 (thirty) days from the day of their constitution.

Article 122

The Broadcasting Institution of Serbia and the Broadcasting Institution of Vojvodina shall take over the resources, rights, obligations and employees of the Public Company Radio-Television Serbia the day they commence work in keeping with the division of assets in Article 85 para 2 i.e. Article 94 para 2 of this Law.

The General Manager of the Broadcasting Institution of Serbia, that is the General Manager of the Broadcasting Institution of Vojvodina, shall adopt general by-laws on the systematisation of jobs and the in-house organisation of work of the Broadcasting Institution of Serbia, that is of the Broadcasting Institution of Vojvodina, within 60 (sixty) days from the day Broadcasting Institution of Serbia i.e. the Broadcasting Institution of Vojvodina commences work.

Employees in para 1 of this Article, who are not assigned jobs in keeping with a general by-law on in-house organisation of the Broadcasting Institution of Serbia, that is of the Broadcasting Service of Vojvodina, shall enjoy the rights exercised by employees in the event of employment termination set out in a separate law.

From the day the division of assets is adopted in keeping with Article 120 para 1 of this Law, the Public Company Radio-Television Serbia may not alienate or burden its property or employ new staff.

Article 123

The Managing Boards of the Broadcasting Institution of Serbia and the Broadcasting Institution of Vojvodina shall within a maximum of 15 (fifteen) days before the Broadcasting Institution of Serbia and the Broadcasting Institution of Vojvodina commence work launch a public tender for the appointment of the radio and television directors and programme editors-in-chief.

Until the completion of the public tender in para 1 of this Article and the adoption of the decisions on appointment and within 30 (thirty) days from the day the Broadcasting Institution of Serbia and the Broadcasting Institution of Vojvodina commence work, the Managing Boards of the Broadcasting Institution of Serbia and the Broadcasting Institution of Vojvodina shall appoint acting radio and television directors and acting programme editors-in-chief at the recommendation of their respective General Managers.

Article 124

The Public Company Radio-Television Serbia shall cease work on the day the Broadcasting Institution of Serbia and the Broadcasting Institution of Vojvodina are registered in the court register.

Article 125

The Broadcasting Institution of Serbia and the Broadcasting Institution of Vojvodina shall pass other general by-laws envisaged by this Law within six months from the day they commence work.

Article 126

Broadcasters, founded by local administrations (municipality, city) shall continue operating as local or regional radio and/or television stations, but shall be obliged to bring their work and business activities in accordance with the provisions of this Law within one year from the day this Law takes effect and to complete the process of privatisation within the deadline in Article 96 of this Law.

The competent ministry shall adopt a by-law detailing the manner of privatisation of radio and/or television stations in Article 96 paras 1, 2 and 3 within six months from the day this Law becomes effective

Article 127

The Public Company Radio-Television Serbia shall establish by 1 December 2002 a register of subscribers in the territory of the Republic of Serbia, who, as owners of radio and television receivers, are obliged to pay radio-television subscription in keeping with this Law.

The Public Company Radio-Television Serbia shall submit to each subscriber a notification in written form on the future obligation to pay radio-television subscription, within 15 (fifteen) days from the day of establishing the register.

The obligation to pay radio-television subscription shall start the month following the month in which notification in para 2 of this Article had been delivered.

Article 128

Provisions of this Law in respect of the obligation to broadcast a prescribed percentage of programme in one's own language(s), i.e. self-produced programme, shall be applied one year after the day this Law takes effect.

Provisions in Chapter VII of this Law related to advertising and sponsorship shall be applied as of 1 January 2003.

Article 129

Provisions of this Law, which regulate prohibited concentration of media ownership issues, shall not be applied to the state of affairs at the time this Law takes effect until a decision is made following a public tender for broadcasting licences for the relevant service area(s).

An applicant for the broadcasting licence public tender shall abide by the provisions on prohibited concentration of media ownership in order for his application to qualify for consideration.

Article 130

The Law on Radio Television (Official Gazette of the Republic of Serbia no. 48/91, 49/91, 53/93, 55/93, 67/93, 48/94 and 11/2001) shall cease to be effective when this Law comes into force.

Article 131

This Law takes effect on the eighth day from the day of its publication in the Official GAZETTE OF THE REPUBLIC OF SERBIA.

5.19 ANNEX – LAW ON TELECOMMUNICATIONS

TELECOMMUNICATIONS LAW

(Official Gazette of Republic of Serbia no.44/2003. and no.36/2006)

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 behaviour; 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;

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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. *“selection of an operator”* 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. *“pre-selection of an operator”* 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;

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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 selftraining, 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;

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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. *“radio communications”* 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 neighbouring 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

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- 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;
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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:

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- 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;

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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 behaviour 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 behaviour 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.

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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.

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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

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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 bylaws 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.

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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;

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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.

Register.

7. Decision-Making and Legal Remedy

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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;

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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

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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.

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If, in discharging the duties referred to in paragraph 1 of this Article, radioemission 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,

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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:

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- 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.

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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

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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.

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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

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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;

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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 behaviour 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 colocation 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.

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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

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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;

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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.

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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 nondiscriminatory 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.

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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, which shall contain:

1. identification and description of the services to be provided as universal services, provided that all reasonable requests for interconnection 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 available in and to average the prices over all of the regions;

4. mechanism of compensating public telecommunications operators for the costs of providing universal service;

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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 costbased 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.

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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.

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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.

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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 neighbouring 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 neighbouring 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.

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*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.

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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;

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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.

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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.

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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

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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 neighbouring 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 neighbouring 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 preselection 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.

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 nondiscriminatory 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.

5.20 ANNEX – LAW ON NATIONAL COUNCILS OF NATIONAL MINORITIES

I. BASIC PROVISIONS

Article 1

This Law regulates competences of the National Minority Councils (hereinafter: National Councils) with regard to culture, education, informing, official use of language and script, electoral procedures for National Councils and their funding, as well as other issues of National Councils' concern.

Article 2

Members of national minorities in the Republic of Serbia shall have the right to set up their National Councils with a view to exercising the right on self-government regarding culture, education, dissemination of information and official use of language and script.

A national minority shall be represented by its National Council in the field of education, culture, informing in the language of a national minority as well as in the official use of language and script, and it shall participate in the decision making process or decide on the questions related to these fields and establish institutions, business companies and other organisations in the fields mentioned.

Article 3

The Ministry of Human and Minority Rights (hereinafter: the Ministry) shall keep the National Councils Register.

Registration shall be done through a registry application, submitted by Head of the National Council within 30 days of the Council's constitution day.

By registering itself with the National Council, a national minority shall acquire status of legal personality.

Article 4

Registration shall be completed within 30 days upon the reception of the valid application.

By means of registration, the following information shall be entered in the Register: name and location of the National Council, name, residence and personal identification number of Head of the National Council, date of the adoption of the Statute, or amendments to the Statute, as well as date of registration.

Information in the Register shall be available for public use.

The Ministry shall further regulate the content and manner of keeping the Register.

Article 5

The National Council may acquire and sell movable and immovable goods, and according to the decision of the competent body it may be a beneficiary of any state resource.

Article 6

National Council shall have a Statute.

The following issues shall be regulated by the Statute:

- 1) Work of the National Council;
- 2) Number of the National Council members; in accordance with the Law
- 3) Seat of the National Council;
- 4) Name, symbol and seal of the National Council;
- 5) Number and electoral procedure for electing members of the National Council bodies;
- 6) Other bodies of the National Council, number and election procedure for their members;
- 7) Recognitions and ways of awarding them, and
- 8) Other issues important for the work of the National Council

In case of amendments to the Statute, the National Council shall be obliged to inform the Ministry and forward any changes and amendment to the Statute as well as the minutes of the session at which these were adopted not later than 30 days as of their adoption.

II. QUESTIONS REGARDING STATUS OF THE NATIONAL COUNCILS

1. National Council bodies

Article 7

The National Council shall have a president, executive body, committees for education, culture, informing and official use of language and script.

Consultative bodies and other National Council bodies may be defined by the Statute.

President of the National Council shall represent and act on behalf of the National Council.

President of the National Council shall be elected from among its members.

Performance of the National Council shall be open to public.

Article 8

The National Council shall take valid decisions if more than a half of the National Council members are attending the session.

The National Council Statute shall be adopted if voted for by more than a half of all the National Council members.

President of the National Council and Head of the National Council's Executive Body shall be elected if they get more than a half of total vote of all the National Council members.

The National Council shall make other decisions based on the simple majority of the members present unless a qualified majority is prescribed by the Statute.

2. Number of the National Council members

Article 9

The National Council shall consist of at least 15 members, but not more than 35.

The National Council shall consist of 15 members if according to the latest census a national minority has a population of less than 10,000 people or if the number is not specified.

The National Council shall consist of 19 members if according to the latest census the population of a national minority exceeds 10,000 but is less than 20,000.

The National Council shall consist of 23 members if according to the latest census the population of a national minority ranges between 20,000 and 50,000 people.

The National Council shall consist of 29 members if according to the latest census the population of a national minority ranges between 50,000 and 100,000 people.

The National Council shall consist of 35 members if according to the latest census the population of a national minority counts more than 100,000 people.

Members of the National Council are elected to a four-year term of office.

The mandate of the National Council's first session shall start on the registration day.

III. COMPETENCES OF THE NATIONAL COUNCIL

1. General competences

Article 10

In compliance with law and its Statute, and through its bodies, the National Council shall independently:

- 1) Adopt and amend the National Council Statute;
- 2) Adopt the financial plan, financial report and final financial statement;
- 3) Manage its property;

- 4) Decide about the National Council's name, symbols and seal;
- 5) Determine national symbols, emblems and holidays of national minorities;
- 6) Found institutions, associations, funds and business organisations in the field of education, culture, informing and official use of language and script as well as in other areas which are important for the preservation of a national minority's identity;
- 7) Put forward a national minority representative in the council on interethnic relations in local self-government unit;
- 8) Determine and award recognitions;
- 9) Initiate the adoption of and monitor the implementation of law and other normative acts in the field of culture, education, informing and official use of language and script;
- 10) Participate in drafting regulations and motion amendments to legislation which regulates national minority rights guaranteed by the Constitution in the field of culture, education, informing and official use of language and script;
- 11) Motion the adoption of special legal instruments and provisional measures in domains in which right to self-government is realised, so as to achieve full equality among national minority members and citizens belonging to the majority nation;
- 12) Start the procedures before the Constitutional Court, the Citizens' Protector, regional and local Ombudsman, and other competent bodies; when assessing that rights and freedoms of persons belonging to national minorities guaranteed by the Constitution and law have being violated
- 13) Star the procedure mentioned under paragraph 12 of this article on behalf of person belonging to national minority with his/her prior authorisation
- 14) Take positions, start initiatives and take measures in all issues which are directly related to a national minority's status, identity and rights
- 15) . Rule on other issues entrusted to it by law or acts of the autonomous province and local self-government unit;

2. Competences in the field of education

Right of establishment

Article 11

The National Council may, in accordance with law, establish educational institutions; those related to pupils' and students' standards and exercise the rights and obligations of the founder.

The institutions from paragraph 1 of this Article shall be established by the National Council itself or in co-operation with the Republic, autonomous province, local self-government unit or other legal personality in accordance with law.

The Republic, autonomous province or local self-government unit, acting as founders referred to in paragraph 1 of this Article, may delegate their right of establishment, in its entirety or to a degree, to the National Council.

Participation in the institutional management

Article 12

In pre-school facilities and primary and high schools, which are founded by the Republic, autonomous province or local self-government unit and where a nationality minority language is used in the education work, or which have a special school subject dealing with speech, language or culture of a national minority, the National Council shall:

- 1) Give opinion on proposed candidates for membership in the management, i.e. school board – local self-government unit representatives;
- 2) Put forward candidates for membership in the management, i.e. school board – local self-government unit representatives at the institutions where in most of the classes teaching is done in a national minority language and which were defined as institutions of particular importance for the national minority;
- 3) Give opinion on the candidate running for director of the institution from paragraph 1, points 1 of this Article;
- 4) Give opinion on the procedure for dismissing director and members of the management board in the institutions from paragraph 1, point 1 and 2 of this Article.

5) Provides prior approval for the appointment of the director of the institution from the paragraph 1 point 2 of this article

In the institutions for pupils and students which were founded by the Republic, autonomous province or local self-government unit, the National Council shall:

- 1) Put forward one member – the founder’s representative – and give opinion on other candidates running for management board members of institutions for pupils, whose seat is in the territory of the local self-government unit where the language of a national minority is in official use. If more than one national minority language is in official use in the local self-government unit, the interested National Councils shall propose a joint candidate for membership on the management board;
- 2) Give opinion on candidates running for members of the management boards in institutions for students, whose seat is in the territory of the local self-government unit where a national minority language is in official use;
- 3) Give opinion on the electoral procedure for the election of director of institutions for pupils and students, whose seat is in the territory of the local self-government unit where a national minority language is in official use;
- 4) Give opinion on the procedure for dismissing director and management board members as referred to in paragraph 2, points 1-3 of this Article.

The National Council of a national minority, whose language is not officially used in any of the local self-government units, enjoys the rights from paragraph 2, points 1-4 of this Article in the local self-government unit where its members account for 1% of the total population according to the latest census.

In higher education institutions, founded by the Republic, autonomous province or local self-government unit, the National Council shall give opinion on the proposed candidates running for members of administration and management bodies in a higher education institution, where teaching is done entirely or partially in a national minority language.

Teaching syllabi

Article 13

The National Council shall:

- 1) Put forward before the National Education Council general platforms for pre-school syllabi, primary and high school syllabi as well as basic programs of instruction, covering contents which express singularity of a national minority, especially in history, music and art;
- 2) Put forward before the National Education Council primary and high school syllabi for the national minority language, i.e. its dialect with some elements of the national culture;
- 3) Give opinion to the National Education Council with regard to syllabi for Serbian as a second language;
- 4) Recommend to Minister of Education measures and an education programme for pupils in pupils’ institutions which refer to the affirmation of multiculturalism and tolerance among ethnic communities;
- 5) Comment on the school syllabi of institutions which have been defined as particularly important for the national minority.

Textbooks and teaching means

Article 14

When the education work is done in a national minority language, the National Education Council shall propose that the competent Minister of Education approve using textbooks and teaching materials whose content expresses singularities of the national minority, with the previous consent of the National Council.

Acting on the National Council’s proposal, Minister for Education shall give approval for the use of national or foreign textbooks in a national minority language in the education work.

Other competences in the field of education

Article 15

In accordance with the law, the National Council shall:

- 1) Propose at least one candidate for the joint electoral list of candidates for the election of the National Education Council members;

- 2) Give opinion on the procedure for the adoption of a normative act regulating the network of pre-school facilities and primary schools in the local self-government unit where the national minority language is used officially or in the education work;
- 3) Determine which educational institutions are of particular interest in education of the national minority. If there are on the whole more than four institutions, not more than a half of the overall number of institutions performing the education work in the national minority language may be pronounced as institutions with special importance. If there are fewer than four institutions of such kind, then one of the institutions, performing the education work exclusively in the national minority language or alongside with other languages, may be considered to have special importance. In case of a national minority whose language is not used in teaching, rules stated in this point shall be applied accordingly to the institutions where language or spoken dialect, with some elements of the minority culture, is taught.
- 4) Give opinion to the Minister of Education in the process of establishing the network of high schools and institutions for pupils and students;
- 5) Give opinion to the Minister of Education in the process of giving consent to a school functioning outside the school's seat, where teaching is done in the national minority language;
- 6) Recommend to the founder, i.e. the Republic, autonomous province or local self-government unit that the school branch where teaching is done in the national minority language should become independent;
- 7) Give opinion on the procedure for determining the number of pupils to be enrolled in high school, as well as on the procedure for giving consent to the number of pupils who will acquire vocational training, prequalification, further qualifications and specialization;
- 8) Give opinion to the Minister of Education regarding the procedure for giving consent to the opening of a class for fewer than 15 students in which the national minority language is used;
- 9) Provide comments to the institutions for pupils and students standards on the procedure for allocating places in those institutions
- 10) Give opinion on the procedure for the distribution of the budgetary funds of the Republic, autonomous province and local self-government unit, which are allocated through open calls to institutions and associations in the field of education;
- 11) Set aside scholarships out of its own resources and through its regulations determine the criteria and procedure as to their granting, and implement the procedure for their allocation;
- 12) Nominate its representative at the National Education Council who shall participate in its operation with no decision making power, when teaching within the education system is done in the national minority language, and when the National Education Council considers issues which are important for education of the national minority;
- 13) Nominate its representative at the National Council for Higher Education who shall be a valid member of this Council when teaching in higher education is done in the national minority language;
- 14) Perform other activities in this field envisaged by the law or other regulations.

3. Competences in the field of culture

Right of establishment

Article 16

The National Council may, in accordance with the law, establish cultural institutions for the purpose of preservation, improvement and development of a minority's cultural specificity and for the preservation of the national minority identity and it may exercise rights and obligations of the founder.

The institutions referred to in paragraph 1 of this Article shall be established by the National Council itself or in co-operation with the Republic, autonomous province, local self-government unit or other legal personality in accordance with the law.

The Republic, autonomous province and local self-government unit as founders of the institutions referred to in paragraph 1 of this Article may delegate their right of establishment, in its entirety or to a degree, to the National Council.

Participation in the institutional management

Article 17

In cultural institutions founded by the Republic, autonomous province or local self-government unit and which were declared by the National Council to be of particular importance for the preservation of the national minority identity, the National Council shall:

- 1) Appoint one member for the institution's management board;
- 2) Give opinion on the nominated members of the institution's management board;
- 3) Give opinion on the electoral procedure for the election of the institution's director.

If more than one National Council decides that an institution has particular importance in the field of culture in preserving, improving and developing specificity and national identity of a national minority, the National Councils in question shall each appoint their member on the management board referred to in paragraph 1, point 1 of this Article.

Other competencies in the field of culture

Article 18

The National Council shall:

- 1) Determine which institutions and events in the field of culture bear special importance in preserving, improving and developing specificity and national identity of a particular national minority;
- 2) Create a national minority's cultural development strategy;
- 3) Determine which movable and immovable cultural goods are of particular importance for a national minority;
- 4) Start a procedure before the competent body or institution for defining the status of movable and immovable cultural goods protected by the law and having particular importance for a national minority;
- 5) Suggest taking measures for the prevention, reparation and reconstruction of the cultural goods referred to in paragraph 1, point 4 of this Article;
- 6) Give opinion and recommendations regarding space planning and the design of urban development plans in the local self-government unit where cultural goods referred to in paragraph 1, point 3 of this Article are situated;
- 7) Suggest that the implementation of space and urban development plans be stalled if these are considered detrimental to cultural goods referred to in paragraph 1, point 3 of this Article;
- 8) Give the previous opinion to the competent body in the process of issuing a licence to dislocate the immovable cultural goods referred to in paragraph 1, point 3 of this Article to another site;
- 9) Give opinion on the establishment or closing procedure for libraries or their organisational units, containing collections of books in a national minority language;
- 10) Suggest that the resources be allocated through open calls from the budget of the Republic, autonomous province or local self-government units to national minority institutions, events and associations in the field of culture;
- 11) Propose at least one candidate for a joint list of candidates in the elections for the National Council for Culture;
- 12) Nominate its representative in the National Council for Culture, who shall participate in its work without power of decision making when issues important for the national minority culture are discussed;
- 13) Rule on other issues entrusted to it by law, normative act of the autonomous province or local self-government unit.

4. Competences in the field of mass media

Right of establishment

Article 19

The National Council itself or in co-operation with another legal personality may establish in line with law institutions and business organisations for the purpose of exercising newspaper-publishing and radio-television broadcasting activities, printing and reproducing of the recorded media, and shall have rights and obligations of the founder.

The Republic, autonomous province or local self-government unit as founders of businesses organisations and institutions in the field of public information which entirely or predominantly communicate information in a national minority language may, in agreement with the National Council, delegate their right of establishment, in its entirety or to a degree, to the National Council.

Participation in the institutional management

Article 20

The National Council shall:

- 1) Give opinion on the nomination procedure for members of the management board, programme board and director general of the Radio Television of Serbia, if this institution broadcasts programme in a national minority language;
- 2) Give opinion on the nomination procedure for members of the management board, programme board and director general of the Radio Television of Vojvodina, if this institution broadcasts programme in a national minority language;
- 3) Set criteria for the election of editor-in-chief of the programme which is broadcast in a national minority language in the public service institution;
- 4) Propose that the Broadcasting Agency management board appoint editor-in-chief of the programme broadcast in a national minority language from among the candidates who have applied and fulfilled the competition criteria;
- 5) Give opinion on candidates for editor-in-chief of programmes broadcast in national minority languages in the Broadcasting Agency where editor-in-chief is appointed for more than one programme broadcast in national minority languages.

Other competences in the field of mass media

Article 21

The National Council shall:

- 1) Adopt a strategy for the improvement of information broadcast in a national minority language in accordance with the strategy of the Republic of Serbia ;
- 2) Give suggestions to the Republic Broadcasting Agency in designing the Broadcasting Development Strategy;
- 3) Give a suggestion regarding distribution of resources which are through open calls allocated from the budget of the Republic, autonomous province or local self-government unit to legal or physical persons performing broadcasting activities in a national minority language;
- 4) Consider reports of Management and Programme Boards of Serbia's and Vojvodina's Broadcasting Agencies and give suggestions and recommendations regarding programmes broadcast in a national minority language;
- 5) Give opinion and recommendations to the Republic Broadcasting Agency Council regarding communication of information in a national minority language;
- 6) Appoint its representative in the Republic Broadcasting Agency Council who shall participate in its work without decision making power when issues regarding information in a national minority language are being discussed;
- 7) Perform other activities in this field which are defined by law and other regulations.

5. Competences in the official use of language and script

Article 22

The National Council shall:

- 1) Determine traditional names of local self-government units, built-up areas and other geographical terms in the national minority language if this language is in official use in the territory of the local self-government unit or built-up area. The names determined by the National Council shall become officially used terms alongside with Serbian names and shall be published in the "Official Gazette of the Republic of Serbia" or in the "Official Gazette of the AP Vojvodina" for National Councils located in the AP Vojvodina;
- 2) Give a recommendation to the competent body to write out names of local self-government units, built-up areas and other geographical terms in the national minority language;
- 3) Propose the establishment of a national minority language and script as an official language and script in a local self-government unit;
- 4) Suggest the alteration of names of streets, squares, city blocks, hamlets and other parts of built-up areas, as well as names of institutions of special importance for a national minority;

- 5) Give opinion on the procedure for determining names of streets, squares, city blocks, hamlets and other parts of built-up areas if a national minority language is officially used in the territory of a local self-government unit or built-up area;
- 6) Propose that the competent body supervise the official use of a national minority language;
- 7) Recommend measures and activities to competent bodies for the promotion of translation of regulations into the official languages of national minorities;
- 8) Take measures and activities for the improvement of the official use of national minority language and script;
- 9) Rule on other pertinent questions entrusted to it by law or a normative act of the autonomous province or local self-government unit.

6. Invalidity of normative acts

Article 23

Separate normative acts as referred to in Articles 12-15, 17, 18 and 20-22 of the this Law, which were adopted without the appropriate suggestions or opinions of the National Council, shall be considered unlawful, i.e. invalid.

If, despite a duly submitted application of the competent body, the National Council fails to provide a suggestion or opinion within 30 days, the normative act from paragraph 1 of this Article shall be adopted without these.

7. Delegation of the right of establishment

Article 24

On the initiative of the National Council, the Government of the Republic of Serbia, Assembly of the autonomous province or local self-government units start a procedure for delegating the right of establishment to:

- 1) Educational institutions where classes are held exclusively in a national minority language;
- 2) Cultural institutions whose main activity is preservation and development of the national minority culture;
- 3) Institutions which broadcast public information exclusively in a national minority language.

On the initiative of the National Council, the Government of the Republic of Serbia, Assembly of the autonomous province or local self-government units may delegate, fully or partially, their rights of establishment related to institutions which have not been covered by points 1-3, paragraph 1 of this Article, but which are of particular importance for the national minority.

The bodies in paragraphs 1 and 2 of this Article shall conclude with the National Council an Agreement on Delegation of the Right of Establishment, fully or partially (hereinafter: the Agreement).

The Agreement shall contain mutual rights and obligations pertaining to the bodies referred to in paragraphs 1 and 2 of this Article and to the National Council.

The Agreement shall set forth the rights of management which are to be delegated, as well as the annual amount of resources allocated from the budget of the Republic, autonomous province or local self-government unit for the purpose of financing the institution's operations.

In terms of budgetary funds, the resources of the institutions whose right of establishment is delegated fully or to some extent cannot be more unfavourable in comparison with other institutions whose right of establishment is not delegated to the National Council.

IV. RELATION WITH STATE BODIES AND BODIES OF THE AUTONOMOUS PROVINCE AND LOCAL SELF-GOVERNMENT UNITS

Relation with state bodies

Article 25

The National Council may submit its proposals, initiatives and opinions regarding the issues under its jurisdiction before the National Assembly of the Republic of Serbia, the Government of the Republic of Serbia, and other state bodies and special organisations.

Before considering and deciding about the issues in the field referred to in Article 2 of this Law, the bodies in paragraph 1 of this Article shall seek the National Councils' opinion.

The procedure for obtaining opinion shall be regulated by their rules of procedure.

The National Council may launch an initiative with the Government of the Republic of Serbia for the abrogation, i.e. nullification of regulations issued by ministries and separate organisations if the former are not in compliance with the provisions of this Law and other normative acts pertaining to national minorities.

Relation with the bodies of the autonomous province and local self-government units

Article 26

National Councils give suggestions, initiatives and opinions to the bodies of the autonomous province and local self-government units regarding issues pertaining to national minority status and preservation of the specificities of national minorities.

Bodies of the autonomous province and those of the local self-government units shall be obliged to consider the National Councils' suggestions, initiatives and opinions and shall take steps accordingly.

In the process of the adoption of general documents in the field referred to in Article 2 of this Law, bodies of the autonomous province and those of the local self-government units shall seek opinion from the National Councils.

The procedure for obtaining opinion shall be regulated by the rules of procedure of the bodies from paragraph 1 of this Article.

V. INTERNATIONAL AND REGIONAL CO-OPERATION

Article 27

The National Council shall, in accordance with law, co-operate with international and regional organisations, state bodies, the country's organisations and institutions, as well as with the national councils or similar national minorities' bodies in other countries.

The National Council representatives shall participate in negotiations or be consulted as part of negotiations the aim of which is the conclusion of bilateral agreements with home countries, especially when national minority rights are discussed.

Representatives of the National Councils shall participate in the work of mixed inter-governmental bodies whose aim is supervision of the implementation of bilateral inter-governmental agreements on the protection of a specific national minority's rights.

Article 28

Representatives of national minorities, via the Council for National Minorities of the Republic of Serbia, take part in the conclusion of, i.e. accession to international agreements regarding the status of national minorities and preservation of their rights.

VI. ELECTION OF NATIONAL COUNCILS

1. Common provisions

Article 29

National Councils may be elected in direct elections or through Electoral Assembly.

National minorities shall individually choose to which of the two aforementioned ways they shall give priority.

Indirect elections for National Councils shall be held if until the day of calling of the elections more than 50% of the total population of the national minority according to the most recent census, reduced by 20%, is entered into the special electoral register the national minority.

Principles of electing National Councils

Article 30

The elections for National Councils shall be based on principles of free choice, equality of voting rights, periodicity of elections and secrecy of ballot.

The elections shall be especially based on voluntariness, proportionality and democracy.

Right to vote

Article 31

The right to vote of national minorities' members in electing National Councils implies the rights of a national minority member to: elect National Council members; be elected as National Council member; put forward candidates for membership in the National Council; be informed on the National Councils elections, candidates for their membership and their programmes; he/she shall be put on a special electoral register of a national minority; vote for the election of a National Council and have right to protection of voting rights regarding the election of the National Council.

Active right to vote

Article 32

A national minority member shall acquire the right to elect members of National Council once he/she has fulfilled the general pre-conditions under the active right to vote set forth by the Constitution and law.

A special pre-condition for acquiring the active right to vote in direct elections for members of National Council shall be registration, in accordance with the provisions of this Law, in a special electoral register of a national minority.

A special pre-condition for acquiring the active right to vote in elections for the National Minority Council through Electoral Assembly shall be the voter's status, which is obtained according to the provisions of this Law.

Passive right to vote

Article 33

National Council members may be elected from among the national minority members who, besides the pre-conditions from Article 32 of this Law, do not hold an official post of judge, attorney or judge of the Constitutional Court.

Special voting provisions

Article 34

Voting for the election of members of the National Council shall be organised only at the territory of the Republic of Serbia.

Scheduling of elections

Article 35

The decision to call the National Council elections shall be made by the Minister for Human and National Minority Rights (hereinafter: the Minister).

The decision about the National Council election shall be adopted not earlier than 120, and not later than 90 days prior to the expiry of the National Council's term of office.

The decision to call the elections shall consist of: the number of members of the National Council being elected; provisions determining the beginning of deadlines regarding electoral activities and the election day.

The Decision on Calling the Elections shall be published in the "Official Gazette of the Republic of Serbia".

Time of elections

Article 36

The indirect elections for the members of all National Councils shall be held simultaneously.

The elections must be finished at latest 15 days before the expiry of the term to which members of the current National Council's composition were elected.

Expenses and fees

Article 37

All documents regarding the National Council elections, as well as their court certified copies shall be exempt from fees.

Financial means for the implementation of the National Council elections shall be provided from the budget of the Republic of Serbia.

Organisation of elections

Article 38

All activities regarding the organisation and implementation of the elections of National Councils shall be carried out by the Ministry and bodies in charge of the implementation of the elections in accordance with this Law.

Obligations of public information services regarding the elections of National Councils

Article 39

The public information services shall be obliged to monitor the electoral activities and report on the elections of National Councils.

Laws regulating public information on the electoral procedure shall be also applicable to public information regarding the elections of National Councils.

Article 40

Dissolution of the National Council and the provisional governance body

The Ministry shall issue a Decision dissolving the National Council if:

- 1) The National Council has not convened for more than six months;
- 2) President of the National Council is not elected within 60 days upon the Council's establishment or the end of former President's term of office;
- 3) It fails to draw up the Statute within the deadline stipulated under this Law.

The Ministry Decision from paragraph 1 of this Article is final and administrative proceedings may be initiated against it.

Until the constitution of the new composition of the National Council, all current and urgent matters under the National Council's jurisdiction and scope of work shall be executed by the provisional body of the National Council, which consists of a president and four members.

The Provisional Body shall be established by the Ministry Decision and shall consist of the National Council members, bearing in mind the extent to which the electoral lists, from which National Council members have been chosen, are represented.

The National Council members' term of office
and the expiry of the National Council membership

Article 41

The National Council members shall be elected to a four-year term of office and may be re-elected to the same position.

Membership of a National Council member shall cease before the expiry of the term of office to which he/she has been elected, in one of the following ways:

- 1) By handing in his/her resignation;
- 2) By starting a job or assuming a position that is incompatible with National Council membership;
- 3) By losing one of the universal pre-conditions for the acquisition of the active right to vote;
- 4) If he/she does not take part in a National Council's work for more than a year with no sound reason;
- 5) In case of death;
- 6) If his/her residence at the territory of the Republic of Serbia expires;
- 7) If, according to the final decision of the competent body, he/she has been erased from a special electoral register of members of a national minority, in case the National Council was elected directly;
- 8) If a person has been sentenced by the final verdict for minimum of six months imprisonment

At its first session, following the reception of the notification explaining the reason for the expiry of National Council membership, the National Council shall pronounce the day when the National Council membership ceases.

Once the National Council member's mandate has expired, his/her seat in the National Council shall be taken by the candidate on the electoral list, which included the member whose mandate has expired, and shall be appointed by the electoral list nominator.

Convention of the first session of the National Council

Article 42

The Minister shall convene a constitutive session of the National Councils within 30 upon the announcement of the final election.

Applicability of other laws

Article 43

Provisions of the Law on the Election of Members of Parliament, Law on General Administrative Procedure and Code of Administrative Proceedings shall be applicable to the National Council elections and questions which are not regulated by this Law.

2. Direct elections of members of National Councils

Electoral registers

Article 44

The Ministry shall create a special electoral register of national minorities which have formed their National Councils by the time of coming into force of this Law.

If a national minority has not set up its National Council by the coming into force of this Law, the procedure set forth in paragraph 1 of this Article may be carried out if within 30 days as of coming into force of this Law the Ministry receives a request from the national minority member or its organisation on condition that the request has been backed up with court certified signatures of at least 5% of the total population of the national minority according to the most recent census. The Ministry shall issue a Decision on the fulfilment of conditions stated in this paragraph.

If a national minority decides to set up the national council after the expiration of the dead line from paragraph 2. of this article , in order to start the establishment of the special voters list , is necessary that before next following election the Ministry receives a request from the national minority member or its organisation on condition that the request has been backed up with court certified signatures of at least 5% of the total population of the national minority according to the most recent census. The Ministry shall issue a Decision on the fulfilment of conditions stated in this paragraph.

The Ministry Decision from paragraph 2 of this Article is final and administrative proceedings may be initiated against it.

Article 45

The Ministry shall inform through mass media all persons belonging to national minorities with voters' rights from the article 44 paragraph 1 and 2 that the establishment of the special voters' registry has started.

Every citizen with voter's right belonging to national minority from article 44 paragraph 1 , 2 and 3 of this Law may request in writing on the special formula to be enrolled on the special voters' list of the respective national minority within 15 days from the expiration of the deadline set in the paragraph 1 of this article.

Article 46

The Ministry shall temporarily conclude the first special voter's list 120 days upon the announcement that the establishment of the special voters list has started and shall determine total number of voters on the special voter's list of a national minority..

If the Ministry decides based on the determined number of voters on the special electoral register of a national minority that the conditions set forth in Article 29 of this Law regarding direct elections for a National Council are met, the Ministry shall, within 15 days upon the expiration of the deadline set in the paragraph 1 of this article, call the elections in accordance with the Article 35 of this Law.

General rules pertaining to the special electoral register of national minorities

Article 47

The special electoral register is a public document in which record on members of national minorities who have the right to vote is kept.

Members of national minorities shall be entered in the special electoral register on a voluntary basis.

A separate electoral register shall be kept for each national minority.

A member of national minority may be entered in only one special electoral register.

Article 48

The special electoral register shall be kept ex officio.

The special electoral register shall be unique, unchangeable and regularly updated and it shall be specially updated within 15 days upon the adoption of the decision on calling the elections.

Article 49

Information from the special electoral register shall be under special protection.

Any form of using information, except for the purpose of the National Council elections and its use in order to exercise other minority rights if prescribed by the law or regulation of the Autonomous Province, shall be forbidden and punishable by law.

Article 50

The special electoral register contains: registration number, name, personal identification number, sex, national affiliation, year of birth, place of residence (street and house number, village, hamlet, built-up area) and space for comments.

Article 51

The special electoral register in the electronic form shall be kept by the Ministry.

Special electoral registers in local self-government units shall be kept electronically by the municipal or town authorities, which shall be entrusted with this job.

The special electoral register shall be concluded by the Ministry decision not later than 15 days prior to elections.

Article 52

National minority members shall be entered in the special electoral register upon the fulfilment of the general conditions prescribed by the law.

Every citizen, member of a national minority who has the right to vote, may submit a written request on a special form to be entered in a special electoral register.

A voter shall submit a request to be entered in a special electoral register to the local self-government unit authority according to his/her place of residence; the request shall be hand-written and signed on a special form issued by the Ministry.

Persons who have been deprived of working ability by a lawful decision cannot be entered in the special electoral register. If these persons' names have been entered in the electoral register, they shall be deleted, and re-entered in the electoral register once they reclaim working ability by a lawful decision.

Any correction or change in the special electoral register may be administered only at the voter's personal request.

Article 53

The request to be deleted from the special electoral register shall be submitted by the voter to the local self-government unit authority according to his/her place of residence; the request shall be hand-written and signed on a special form issued by the Ministry.

The voter may be deleted from the special electoral register in case he/she has lost the right to vote due to failure to meet one of the general conditions set forth by the law for the acquisition of electoral right, at the request of the body authorised for the keeping of the special electoral register and with evidence provided from official registries.

The bodies which keep public records on citizens are obliged to provide the bodies authorised for the keeping of the electoral registers with the information that may affect the accuracy and up-to-datedness of the electoral registers.

Article 54

The special electoral register and information entered in it shall be kept in both Serbian and the language and script of the national minority whose register is kept.

Article 55

The Ministry shall define the way of keeping the electoral register and other issues necessary for a full, accurate and up-to-date keeping of electoral registers.

Article 56

If the administration of the local self-government unit, which is in charge of keeping the electoral register, refuses to enter a voter in the special electoral register or delete his/her name from it in the registration or deletion procedure, the voter has the right to file a complaint with the Ministry. The Ministry Decision is final and administrative proceedings may be initiated against it. The Ministry shall decide on the complaint within the 15 days.

Article 57

Upon the conclusion of the special electoral register, entries, deletions, changes, amendments and corrections may be administered only based on court decisions, in the administrative proceedings, at least 10 days before the day when the elections have been scheduled.

Article 58

Special electoral registers shall be regularly updated during the mandates of all the elected National Councils, regardless of the type of elections. The members of the national minorities which have elected their Councils may require from the competent body to be entered in the special electoral register or deleted from it.

Before calling the next elections, the Ministry is obliged to determine which national minorities have met the condition set for the conduct of indirect elections.

Article 59

The Ministry shall carry out inspection supervision over the application of provisions regarding the keeping of special electoral registers.

Should the Ministry determine that a special electoral register is not kept according to the law and provisions stemming from the law, it shall order the competent body to correct any spotted irregularities.

Bodies in charge of conducting the elections

Article 60

Electoral bodies for the election of National Councils are: Central Electoral Commission (hereinafter: the NEC), Electoral Commission (hereinafter: the CEC) and polling boards.

The Ministry shall provide conditions for conducting the elections.

Composition of the Central Electoral Commission

Article 61

The CEC shall consist of members of permanent and expanded composition.

The permanent composition of the CEC shall comprise three members appointed by the Ministry. Only persons holding a degree in Law may be members of the permanent composition.

The expanded composition of the CEC shall consist of the representatives of the nominators of electoral lists. Two or more nominators of electoral lists may agree to have a joint representative in the expanded composition of the CEC.

Members of the expanded CEC composition shall participate in work and decision making according to law.

Members of the permanent CEC composition have deputies, elected as set forth in paragraph 2 of this Article.

Representative of the Republic Institute for Statistics shall participate in the work of the CEC but with no right to make decisions.

Members of the permanent CEC composition shall elect their President and Secretary from among themselves.

Competencies of the CEC

Article 62

The CEC shall as part of its competences:

- 1) Ensure that the elections are conducted according to law;

- 2) Make technical preparations for the elections;
- 3) Monitor the application of this Law and provide opinion on its application regarding direct election of members to National Councils;
- 4) Set unique standards regarding electoral material;
- 5) Prescribe application forms and rules for conducting electoral activities set forth by this Law;
- 6) Determine constituencies covering the territory of one or more neighbouring local self-government units and publish them in the "Official Gazette of the Republic of Serbia";
- 7) Determine the number and address of polling stations and publish them in the "Official Gazette of the Republic of Serbia" not later than 20 days prior to the day scheduled for the elections;
- 8) Appoint president, members and deputies of the permanent composition of the EEC and polling boards;
- 9) Determine the number of ballot papers at polling stations, have them certified and submit them in the form of report to the EEC's along with the certified excerpt from the electoral register;
- 10) Determine whether the electoral list has been submitted in accordance with this Law and proclaim the electoral list as such;
- 11) Make decision on the proclamation of the general electoral list;
- 12) Determine ways of storing and handling electoral material;
- 13) Determine and announce the election results;
- 14) Determine the number of seats belonging to each electoral list;
- 15) Submit a report to the Ministry for Human and National Minority Rights and inform the National Assembly of the Republic of Serbia on the conducted elections;
- 16) Forward information to the bodies in charge of collecting and processing statistical data;
- 17) Performs other jobs envisaged by this Law.

The CEC shall adopt its rules of procedure and the rules of procedure of EEC's and polling boards.

The CEC shall be obliged to provide the participants of the elections with forms mentioned in points 4 and 5 of this Article within five days from the scheduling of the elections.

Composition of Electoral Constituency Commission

Article 63

The EEC shall consist of a president and two members appointed by the CEC at the proposal of electoral list nominators.

President and members of the EEC shall have deputies appointed in the same manner as members.

Responsibility of the EEC

Article 64

The EEC shall receive electoral material of the CEC and deliver it to polling boards.

The EEC shall receive electoral material from polling boards at polling stations and deliver it to the CEC.

The record of the hand-over of electoral material shall be made.

The EEC shall perform other duties prescribed by the CEC's acts.

Polling board composition

Article 65

Polling board has a president, members of permanent composition and members of expanded composition.

The polling board permanent composition shall consist of: president and no fewer than two members.

The expanded composition of the polling board shall consist of one proxy of each electoral list nominator. Two or more electoral list nominators may appoint a joint proxy.

President and members of the polling board permanent composition shall have their deputies.

The CEC shall form the polling board and appoint president, permanent members and their deputies from the persons registered in a special electoral register.

Polling board responsibility

Article 66

A polling board shall directly conduct balloting at the polling station, ensure the regularity and secrecy of ballot, establish voting results at the polling station and perform other obligations stipulated by this Law.

A polling board shall ensure order at the polling station during balloting.

The CEC shall determine more specific rules on the work of polling boards.

Polling stations

Special polling stations

Article 67

Voting for National Councils shall take place at polling stations established by the CEC.

Establishing polling stations

Article 68

The CEC shall establish polling stations for the elections for National Councils taking into account the number of members of national minorities who reside in the territory the polling station is being established at and are registered in the electoral register.

The polling station where the elections for the members of National Councils will take place shall be established if no fewer than 100 and no more than 25,000 voters are registered in a special electoral register at the territory the polling station is being formed at.

List of polling stations

Article 69

The list of polling stations where the elections for National Councils take place shall be published in the "Official Gazette of the Republic of Serbia".

Arrangement of polling stations

Article 70

Rules pertaining to the arrangement of polling stations shall be determined by the CEC.

Nomination – electoral lists

Right of nomination

Article 71

Under conditions stipulated by this Law, electoral lists may be nominated by a group of voters registered in a special electoral register of a particular national minority, organizations, citizens associations as well as political associations of national minorities (hereinafter: nominator).

The electoral list must be supported by the signatures of at least 1% and no fewer than 50 voters registered in a special electoral register of a particular national minority.

An organisation, association or political association of national minority shall be considered as such if it has nation prefix in its name or is by its statute defined as organization, association or political association which gather or act in the interest of persons belonging to national minorities.

Supporting signatures have to be validated in accordance with this Law

The nomination referred to in paragraph 1 of this Article may be submitted only by a person having the authorization from the electoral list nominator.

Electoral list – structure

Article 72

The number of candidates in the electoral list shall correspond to the number of members of the National Council that are being elected and this number shall not exceed 5.

The electoral list holder and the order of candidates in the list shall be determined by the nominator.

The electoral list shall include no less than 30% of candidates of the less represented gender in the list and every third place in the list shall be reserved for the less represented gender.

If the electoral list does not meet conditions from paragraphs 1 and 3 of this Article, it shall be deemed deficient for the proclamation and the electoral list nominator shall be called to remove the deficiencies in line with this Law.

If the electoral list nominator does not remove deficiencies referred to in paragraph 4 of this Article, the CEC shall, in accordance with this Law, reject the proclamation of the electoral list.

Withdrawal of the electoral list

Article 73

The electoral list nominator may withdraw the list at latest until the day the general electoral list has been determined.

Once the electoral list has been withdrawn, the proxy of the electoral list nominator shall cease to be member in all electoral bodies and all rights stemming from such membership in accordance with the provisions of this Law shall be denied.

Title, determination and proclamation of the electoral list

Article 74

The electoral list shall bear the title determined by the electoral list nominator.

The title of the electoral list may include the full name of a person, association or organization of a national minority from paragraph 3 of the Article 71 that the nominator determines as well as the name of the electoral list holder.

Form for supporting electoral lists

Article 75

The CEC shall provide for the format and content of the form for the voters' signatures and shall make such form available to participants in the elections within five days from the announcement of the elections.

A voter may support with his/her signature the electoral list of only one nominator. Each signature from paragraph 1 of this Article must be certified in a municipal court, municipal administration or local community administration.

Handling of electoral lists

Article 76

The electoral list shall be delivered to the CEC at latest 15 days prior to the election day.

The electoral list shall be delivered to the CEC together with the following documents:

1) Certificate of the registration in a special electoral register of a national minority for each candidate in the electoral list stating his/her full name, date of birth, occupation and the personal identification number;

- 2) Written statement of a candidate expressing his/her acceptance of candidacy;
- 3) Evidence of residence for each candidate;
- 4) Written agreement of the list holder;
- 5) Authorization from the Ministry for persons nominating the electoral list to collect signatures;
- 6) Signatures of voters supporting the electoral list, in a special form with court certification.

Electoral list proclamation

Article 77

The CEC shall proclaim the electoral list of nominators immediately upon the receipt of the electoral list and pertaining documents and at latest within 24 hours from the receipt of the electoral list.

The CEC shall without delay deliver the decision on the electoral list proclamation from paragraph 1 of this Article to the nominator.

Electoral list deficiencies

Article 78

When the CEC determines that the electoral list has not been submitted in time, it shall issue decision rejecting it.

If the CEC determines that the electoral list contains deficiencies which hinder the electoral list proclamation, it shall, within 24 hours upon the receipt of the electoral list, pass a conclusion instructing thereby the nominator of the electoral list to remove the deficiencies within 48 hours following the delivery of the conclusion. The conclusion delivered to the electoral list nominator shall elaborate on the manner of removing such deficiencies.

If the CEC determines that the electoral list contains deficiencies or that the deficiencies have not been removed, or have not been removed within the specified deadline, it shall issue a decision in the following 24 hours rejecting the electoral list proclamation.

General electoral list

Article 79

The CEC shall determine the general electoral list separately for each national minority.

The general electoral list shall contain all electoral lists for each national minority with personal names of all candidates, their year of birth, occupation and residence.

The order of electoral lists in the general electoral list shall be determined in accordance with the proclamation of electoral lists.

The CEC shall publish the general electoral list for each national minority in the "Official Gazette of the Republic of Serbia" at latest 10 days prior to the election day. The day when the general electoral list is published in the "Official Gazette of the Republic of Serbia" shall be deemed the day of its proclamation.

The person authorized by the electoral list nominator shall be entitled, within 48 hours from publishing of the general electoral list, to perform inspection of pertaining documents submitted with proclaimed electoral lists.

Article 80

Upon the conclusion of the special electoral register the CEC shall announce the total number of voters, in local self-government units and polling stations, within 48 hours.

The CEC shall compile a valid excerpt from the special electoral register for each polling station.

Besides the information from Article 50 of this Law, the excerpt from the special electoral register shall contain the name of the body which compiled it, date of its compilation and the label of the polling station for which the excerpt has been made.

Article 81

Republican authorities,, the bodies of the autonomous province and local self-government units, public institutions and other bodies shall be obliged to issue, at the voter's request, identification papers for the exercise of the right to vote without delay and not later than a day after the submission of the request.

Article 82

The competent state bodies and the body of the local self-government unit shall be obliged to grant the authorized proxies of the submitters of the approved electoral lists access to the special electoral register as well as to the official documentation based on which the body which is in charge of keeping the special electoral register makes entries, deletions, changes, amendments or corrections in the electoral register.

Inspection of documents is done on the premises of the bodies where the official documentation is stored.

Article 83

Acting on the petition made by the submitters of the approved electoral list, the Ministry shall be obliged to carry out supervision inspection within 24 hours upon the reception of the petition.

The Ministry shall be obliged to send a copy of the inspection log entry on the performed check and a copy of the legal instrument, which orders the authorized body to take certain measures and actions, to the submitter of the petition within 48 hours from the inspection day.

Conducting elections

Voting

Article 84

A voter shall vote at the polling station where he/she is registered in a special electoral register excerpt.

Under exceptional circumstances, a voter may vote outside the polling station referred to in paragraph 1 of this Article in the manner provided by the Law on Election of Deputies.

The method of voting outside the polling station as well as the number of voters who have so voted shall be recorded in the polling board record.

Informing citizens on voting

Article 85

Each voter shall receive at latest five days prior to the election day a notification indicating day and time of the elections, number and address of the polling station and number of the excerpt from a special electoral register he/she has been registered under.

The body responsible for keeping the electoral register shall deliver to voters the notification from paragraph 1 of this Article.

Voting method

Article 86

A voter shall cast his/her ballot personally.

A voter shall vote only once during the elections.

Voting is secret.

Voting is done on certified ballot papers.

It is forbidden to display election campaign material at the polling station and 50 metres from the polling station.

If in the course of voting the rules from paragraphs 1 to 4 from this Article are violated, the polling board shall be dismissed and voting at such polling station shall be repeated.

The use of mobile phones and other communication devices is forbidden at the polling station.

The CEC shall determine more specific instructions on measures ensuring the secrecy of ballot.

Time of voting at polling stations

Article 87

Polling stations shall open at 7:00 a.m. and close at 8:00 p.m. The polling station must be constantly open during this period.

Voters present at the polling station at the moment of closing shall be allowed to vote.

Members of polling board and their deputies must be at the polling station in the course of voting.

Maintaining order at polling stations

Article 88

If order is violated at the polling station, the polling board may

5.21 ANNEX – LAW ON PUBLIC INFORMATION

PUBLIC INFORMATION LAW

I INTRODUCTORY PROVISIONS

Article 1

This Law shall regulate the right to public information as a right to the freedom of expression of thought and the rights and obligations of the persons involved in the public information process.

The right to public information shall entail in particular the freedom of expression of thought, the freedom to gather, investigate, publish and disseminate ideas, information and opinions, the freedom to print and distribute (disseminate) newspapers and other media outlets, the freedom to produce and broadcast radio and television programs, the freedom to receive ideas, information and opinions, the freedom to establish legal persons dealing with public information.

II PUBLIC INFORMATION PRINCIPLES

Freedom of Public Information

Article 2

Public information shall be free and in the interest of the public.

Public information shall not be subjected to censorship.

No-one may, even indirectly, limit the freedom of public information, especially by abuse of state or private authority, the abuse of the rights, influence or control of media printing and distribution means or of broadcasting devices and radio frequencies, or in any other manner apt to limit the free flow of ideas, information and opinions.

No one may exert any form of physical or other pressure on a media outlet or its staff, or any form of influence apt to hinder their work.

Breaches of the freedom of public information shall be ruled on by courts, by urgent procedure.

Due Diligence

Article 3

Prior to the publication of information containing data on an event, phenomenon or personality, the journalist and the responsible editor shall be obliged to verify its origin, accuracy and completeness with due diligence.

The journalist and the responsible editor of a media outlet shall be obliged to convey and publicize other people's information, ideas and opinions accurately and thoroughly, and, in the event that information was taken from another media outlet, that media outlet shall be quoted as the originator of information.

Information on Issues of Public Interest

Article 4

Media outlets shall freely publish ideas, information and opinions on phenomena, events and personalities that the public has a justified interest to know about, unless specified differently by the law.

The provision in para 1 of this Article shall apply regardless of the manner in which the information has been obtained.

Rights of Special Categories of Citizens

Article 5

The Republic, autonomous province or local government shall secure part of the funds or other working conditions for the work of media outlets in the languages of national minorities and ethnic communities to enable the national minorities and ethnic communities to exercise their right to information in their own languages and to nurture their own cultures and identities.

In order to protect the interests of invalids, handicapped persons and other individuals with special needs, the Republic, autonomous province or local government shall secure part of the funds or other conditions for such persons to freely exercise the right to public information, especially the freedom of reception of ideas, information and opinions.

Rights of Foreigners in the Field of Public Information

Article 6

Foreign natural and legal persons shall enjoy the same rights and obligations in the field public information as national persons, unless specified differently by the law or by a ratified international agreement.

Ban on Monopoly in the Field of Public Information

Article 7

Every form of monopoly in the field of public information shall be prohibited with a view to protect the principles of free competition and pluralism of ideas and opinions.

No one may enjoy the monopoly to establish or distribute a media outlet.

No one may enjoy the monopoly to publish ideas, information and opinions in a media outlet.

Application and Interpretation of the Provisions of this Law

Article 8

No provision of this Law may be interpreted or applied in a manner that may result in the abrogation of a right guaranteed by this Law or to a greater restriction of such a right than prescribed.

Status of Holders of State and Political Posts

Article 9

The right to protection of privacy, applicable to persons whom information refers to, shall be limited for a holder of a state or political post if the information is of public relevance in view of the fact that such a person holds a public office.

The rights of the persons referred to in para 1 of this Article shall be limited in proportion to the justified interest of the public in each specific case.

Article 10

State bodies and organizations, territorial autonomy and local government bodies, public services and public firms, as well as councilmen and Members of Parliament, shall be obliged to provide equal access to information about their work to the public, to all journalists and all media outlets.

III MEDIA OUTLETS

Definition of a Media Outlet

Article 11

Media outlets shall comprise newspapers, radio programs, television programs, news agency services, Internet and other electronic editions of the above-mentioned media outlets and other public information media that use words, images and sound to publish ideas, information and opinions intended for public dissemination and an unspecified number of users.

A media outlet shall not enjoy the status of a legal person.

Article 12

In terms of this Law, the following shall not be regarded as media outlets: periodicals focusing on a certain professional field and intended solely to inform or educate a certain professional group, publications, catalogues and programs that contain solely personal ads, advertisements and

market-oriented information, newspapers, newsletters and similar publications for internal information purposes which are not publicly disseminated, official heralds of the state, territorial autonomy and local self administration units, or flyers, posters and similar forms of public information means.

Article 13

Every newspaper with a distinct name shall be deemed a distinct media outlet.

All editions of a certain newspaper published under a single name shall be deemed a single media outlet.

Every individual radio or television program shall be deemed a single media outlet even in the event that it is broadcast via two or more frequencies.

If different radio frequencies are used to broadcast different radio or television programs established by one media outlet founder, each program shall be deemed a separate media outlet.

Every news agency service, which is distributed separately, shall be deemed a separate media outlet.

Founder of a Media Outlet

Article 14

A media outlet may be founded by a domestic legal entity (the founder of the media outlet). The media outlet shall be registered with the Register of Media Outlets.

Every natural or legal person, national or foreign, may be the founder of a legal person that is the founder of a media outlet in keeping with the law.

Media outlets may not be founded, either directly or indirectly, by the state, a territorial autonomy, or by an institution or company, which is prevalently state-owned or which is fully or predominantly funded from public revenues, unless such a possibility is envisaged by a separate Broadcasting Law.

Exceptionally from para 3, the state may establish a news agency by a separate law.

Article 14a

The founder of a media outlet cannot transfer or otherwise dispose of the right on the media outlet, or the right of publishing of the media outlet.

A contract or another legal act which subject is transfer or other disposal of the rights stipulated in para. 1 hereof shall be deemed null and void.

In case of termination of a media outlet through signing out of the register of media outlets or in some other way i.e. by cessation of printing or publishing the media outlet, founding of a media outlet with the identical or similar name that may cause confusion with respect to the identity of the media outlet shall be prohibited.

The prohibition mentioned in para. 3 hereof shall be effective one year from the date of publishing the last issue of the media outlet that ceased to exist i.e. which is not being printed or published.

In case the prohibition from Paragraph 3 of this Article is violated, as well as in case a media outlet operates without being registered with the Register of Media Outlets, the competent public prosecutor shall, without any delay, launch the commercial offence proceedings before the competent court and shall request that measures of temporary suspension of publishing activities be pronounced.

In accordance with the law, within 12 hours as of filing the motion by the public prosecutor, the court shall file the decision on measures of temporary suspension of publishing activities to the founder which will remain valid until the proceedings from Paragraph 5 of this Article have become final and valid.

Provisions of Article 24 of this Law shall be applied accordingly to the procedure for pronouncing measures from Paragraph 6 of Article 24 of this Law.

Article 14b

The register of media outlet shall be kept by an organization in charge of keeping register of companies.

The minister in charge of public information shall stipulate the method of keeping the register of media outlet.

Article 14v

The organisation keeping the register of media outlet shall, once a month, at the request of the Republican authority in charge of public information, submit an excerpt from the register of media outlet with data on founders of media outlet. +

The excerpt from the register of media outlet mentioned in para.1 hereof shall state the name and the identification number for each founder of media outlet, information on the monetary part of capital stock and the overview of all media outlet he is a founder of. +

The authority mentioned in para. 1 hereof shall submit an excerpt from the register of media outlet to the organisation conducting the procedure of forced execution. +

The organisation conducting the procedure of forced execution shall, no later than three days from date of receipt of the excerpt mentioned in para. 1 hereof, submit to the authority in charge of public information the data on forced execution for each of the founders of media outlet named in the excerpt with a special note of the period of suspension of all payments.

IV DISTRIBUTION OF MEDIA OUTLETS

Freedom of Distribution of Media Outlets

Article 15

The distribution of national and foreign media outlets shall be free.

Prohibition of Discrimination on the Media Outlet Market

Article 16

A person involved in the distribution of media outlets may not refuse to distribute a particular media outlet without a justified commercial reason or set conditions for distribution which are contrary to market principles.

The founder of a media outlet the distribution of which is suspended fully or in significant part through violation of ban stipulated in para. 1 hereof shall be entitled to seek compensation for the damages so incurred before the competent court.

In case that violation of ban stipulated in para. 1 hereof is ascertained in the proceedings described in para. 2 hereof, the court shall calculate the compensation for the damages incurred minimum according to the value of sold advertising space for all the issues of the media outlet that were not distributed as a result of the violation of ban stipulated in para. 1 hereof. In absence of proof of such value for all or some of the issues of the media outlet, the value for each such issue shall be deemed equal to the value of the sold advertising space in the first issue of the media outlet that was not distributed.

The procedure mentioned in para. 2 hereof is urgent.

In the course of the proceedings mentioned in para. 2 hereof, the competent court shall, at the proposal of the founder of a media outlet, specify a temporary measure obligating the person engaged in distribution of media outlet to continue distributing the subject media outlet until the effective termination of the procedure.

The proposal mentioned in para. 5 hereof shall be subject of decision by the competent court no later than eight days from the day of submission of the proposal. The competent court shall immediately forward its decision to the founder of the media outlet, editor-in-chief of the media outlet and the person engaged in distribution of media outlet”.

Ban on Dissemination of a Piece of Information

Article 17

The competent district court may upon a motion by the public prosecutor ban the dissemination of a piece of information if it establishes that such a prohibition is necessary in a democratic society to prevent: calls for a violent overthrow of the constitutional order, the undermining of the territorial integrity of the Republic, prevent propagation of war, incitement to immediate violence or racial, ethnic or religious hatred representing incitement to discrimination, hostility or violence, and that the publication of such information would directly result in a serious, irremediable consequence that could not be prevented in another manner.

Ban Motion

Article 18

The motion to ban the dissemination of a piece of information of media outlets (hereinafter: ban motion) shall be submitted by the competent public prosecutor.

The public prosecutor may request in the ban motion a ban on disseminating the piece of information in Article 17 of this Law, the confiscation of copies of the newspaper containing the piece of information, if the purpose of the ban can be achieved only in that manner, or a ban on disseminating such information via other media outlets.

Temporary Ban

Article 19

Upon the motion of the public prosecutor, the court may pronounce a temporary ban until an irrevocable ruling on the ban comes into force.

The court shall rule on the motion in para 1 of this Article within 12 hours upon reception of the motion.

The competent court is obliged to submit the ruling on the temporary ban forthwith to the founder, responsible editor, distributor or printing office.

The court shall order the competent Interior Ministry body to temporarily confiscate all copies of the newspaper and deliver them to the court depository for place them under seal.

Urgency of Procedure and Hearing

Article 20

The court procedure on the ban motion shall be urgent.

The court hearing must be held within three days upon motion reception.

The hearing on the ban motion can be held in the absence of duly summoned parties, which shall be explicitly warned thereof.

Ruling on the Ban Motion

Article 21

The court shall rule on the ban motion immediately after the hearing and the chairing judge shall pronounce the ruling forthwith.

The ruling must be laid down in writing and a certified copy of the ruling must be served upon the parties within 3 days of its pronouncement.

Dismissal of the Ban Motion

Article 22

In the event the court rejects the ban motion or annuls the decision on the temporary ban, it shall rule that all copies of the newspapers that had been confiscated or placed under seal are returned, i.e. unsealed forthwith, within 12 hours at the latest.

An appeal lodged by the public prosecutor against the court ruling in para 1 of this Article shall not stay the execution of the ruling.

Compensation of Damages

Article 23

In the event the court rejects the ban motion, it is obliged to decide at its own discretion on the amount of financial compensation of the damages caused by the unfounded temporary ban.

The compulsory enforcement of the ruling on compensation of damages in para 1 of this Article may be requested within 30 days from the day the ruling has become enforceable.

The damaged party may demand to be compensated a greater amount of money than the court determined provided it proves in a lawsuit the greater degree of inflicted damages.

The damages shall be compensated from the Republican budget.

Appeal against the First-Degree Court Ruling

Article 24

An appeal against a ruling by the first-degree court on the ban motion shall be lodged within three days upon reception of a copy of the ruling.

A copy of the appeal shall not be served to the opposing party for a response.

The first-degree court shall submit a timely and proper appeal, together with all the case files, to the second-degree court within two days from the day of appeal reception.

The second-degree court may summon and hear the parties.

The second-degree court shall rule on the appeal within three days upon reception of the appeal and case files.

Appropriate Application of the Criminal Proceedings Code

Article 25

Unless otherwise specified by this Law, provisions of the Criminal Proceedings Code shall be applied accordingly in the procedure for banning the dissemination of information.

V IMPRINT

Obligation to Publish the Imprint

Article 26

Every media outlet shall obligatorily publish an imprint and a summary imprint.

In terms of this Law, the imprint signifies a set of main data on a media outlet.

Imprint and Summary Imprint of a Media Outlet

Article 27

A media outlet imprint shall obligatorily contain the following data: name of the media outlet, name and seat of the founder, and the names of the responsible editor and of editors responsible for specific editions, columns, i.e. program segments.

In addition to data in para 1 of this Article, the imprint of a television i.e. radio program shall obligatorily contain also the date of program broadcast and the radio frequency on which the program is broadcast, while a news agency imprint shall contain the date when the information was imparted.

The summary imprint of a newspaper shall obligatorily contain the name and the date of publication of the newspaper.

The summary imprint of a television program shall obligatorily contain the characteristic logo of the television program.

The summary imprint of a radio program shall obligatorily contain the name of the radio program and the radio frequency the program is broadcast on, and if the radio program is broadcast on maximum two radio frequencies, also the radio frequency, i.e. radio frequencies on which the program is broadcast.

The summary imprint of a news agency shall obligatorily contain the name of the service and the date the information was imparted on.

Manner of Publishing the Imprint

Article 28

The imprint must be published integrally and clearly separated from the other media outlet content.

The imprint and the summary imprint of a newspaper shall be published in every issue and on every copy.

The summary imprint of a newspaper shall be published on the margin of every page.

The imprint of a television or radio program shall be broadcast at the beginning and at the end of the program, every day the program is broadcast, and, in the event the program is broadcast continuously, every day between midnight and two a.m.

The summary imprint of a television program shall be visible throughout the duration of the program.

The summary imprint of a radio program shall be broadcast at least once every two hours throughout program duration.

The imprint of a news agency shall be published at least once a day.

The summary imprint of a news agency shall be published along with each published information.

The imprint of other media outlets shall be published in a suitable manner, pursuant to the provisions of this Article.

Distribution of a Media Outlet without Imprint

Article 29

A distributor has the right to refuse to distribute a media outlet lacking an imprint.

A distributor, who had agreed to distribute a media outlet without an imprint, shall be held liable in the event of a dispute related to information, ideas or opinions published in that media outlet.

VI EDITORS AND JOURNALISTS AND PROFESSIONAL ASSOCIATIONS OF JOURNALISTS

Editors

Article 30

Every media outlet must have a responsible editor.

The editor-in-chief of a media outlet shall have the status of the responsible editor of that media outlet.

A media outlet may also have responsible editors for specific editions, columns, i.e. program segments.

The responsible editor of a specific edition, column, i.e. program segments shall be held responsible for the contents he/she edits.

A person enjoying immunity from responsibility may not be appointed responsible editor.

A person with permanent residence in the Republic of Serbia may be appointed responsible editor.

Journalist's Right to Impart Information and Opinions and to Refuse to Fulfil a

Directive

Article 31

A journalist may not be dismissed, suffer a salary reduction or lose his/her status in the editorial office for publishing a true assertion in the media outlet s/he is employed in, for refusing to fulfil a directive which would violate legal and ethical press codes of conduct, for refusing to fulfil a directive contravening the media outlet's editorial police, or for an opinion s/he expressed as a personal opinion elsewhere.

Journalist's Confidentiality

Article 32

A journalist is not obliged to reveal data related to his/her source of information, unless such data refer to an act of crime or a perpetrator of a crime punishable by a minimum five-year term of imprisonment.

Freedom of Professional Association

Article 33

Journalists shall be free to organize their professional associations, in keeping with a separate law regulating associations of citizens.

Right of Association in Court Proceedings

Article 34

A professional association of journalists shall have a legal interest in involvement in a labour dispute initiated by a member of such an association unless the member opposes such involvement.

VII SPECIAL RIGHTS AND OBLIGATIONS IN PUBLIC INFORMATION

Temporary Keeping of Media Outlet Records

Article 35

A founder of a media outlet shall be obliged to keep one copy of the media outlet (every issue of every newspaper edition or another print media outlet, the recording of the entire daily television or radio program broadcast and records of other media outlets), notably:

- a copy of a newspaper and other print media shall be kept for 60 days after the date of publication;

- a copy of recordings of the broadcast radio or television program shall be kept for 30 days after the date of broadcast;

- a copy of other media outlets shall be kept for 30 days after their publication.

Right to Insight in Media Outlet Records

Article 36

The founder shall be obliged to allow insight in the kept media outlet records or to supply a copy thereof at the request of a court or an internal affairs body without delay, within three days upon reception of such a request in writing at the latest.

The obligation in para 1 of this Article shall also apply to every person that has a legal interest, upon submission of a written request for insight or copying of the material and advance payment of the actual costs of insight i.e. of copying.

Presumption of Innocence

Article 37

A media outlet may not qualify anyone as the perpetrator of a punishable offense, i.e. proclaim a person guilty of or responsible for an offense prior to a final ruling passed by a court or another competent body.

Prohibition of Hate Speech

Article 38

It shall be forbidden to publish ideas, information and opinions that incite discrimination, hatred or violence against an individual or a group of individuals on grounds of their race, religion, nationality, ethnicity or sex, or their sexual inclination, notwithstanding whether a criminal offense has been committed by such publication.

Lawsuit over the Breach of the Prohibition of Hate Speech

Article 39

The person, to whom the information referred to in Article 38 of this Law applies personally, as a member of a group, shall have the right to bring legal charges against the author of the information and against the responsible editor of the media outlet that published the information, to seek an injunction on repeated publication of the information and the publication of the court ruling at the expense of the defendants.

Charges may also be brought against the author and the responsible editor by any legal person whose objective is to protect human and civil rights and freedoms, as well as by organizations whose objective is to protect the interests of groups referred to in Article 38 of this Law.

If the information referred to in Article 38 personally pertains to a specific person, a legal person or organization in para 2 of this Article may raise charges only with the consent of the person the information refers to.

Provisions of a law on litigation shall accordingly apply to lawsuits concerning charges in paras 1 to 3 of this Article.

Exemption from Responsibility

Article 40

No breach of the prohibition of hate speech shall be invoked if the information referred to in Article 38 of this Law is part of a scientific or a journalistic text that has been published:

1. without the intent to incite discrimination, hatred or violence against persons or a group of persons referred to in Article 38 of this Law, especially if such information is part of an objective journalistic report;
2. with the intent to provide a critical view of the discrimination, hatred or violence against persons or a group of persons referred to in Article 38 of this Law, or of phenomena that constitute or might constitute incitement of such behaviour.

Protection of Minors

Article 41

With a view to protect the rights of minors, media outlets must take into particular consideration that their content and manner of distribution do not impair the moral, intellectual, emotional and social development of minors.

The content of a media outlet, that might jeopardize the development of minors in terms of para 1 of this Article must be clearly and visibly indicated as such in advance and distributed in a manner making it highly unlikely that a minor will use it.

A minor shall not be made recognizable in the information that is liable to violate his/her rights or interests.

Ban on Public Display of Pornography

Article 42

Printed matter with pornographic content shall not be publicly displayed in a manner making it accessible to minors.

Pornographic printed matter shall not contain pornography on the front or back cover pages and it must include a visible warning that it contains pornography, as well as a warning that it is not intended for minors.

Provisions of a separate Broadcasting Law shall apply to pornographic content in television and radio programs.

IX RIGHTS OF THE PERSONS THE INFORMATION REFERS TO

1. PUBLICATION OF INFORMATION FROM ONE'S PRIVATE LIFE

AND PERSONAL RECORDS

Information from One's Private Life and Personal Records

Article 43

Information regarding private facts, i.e. personal written records (a letter, diary, note, digital record, etc.), recordings of images (photographs, drawings, film, video, digital etc.) and audio recordings (tape-recordings, gramophone records, digital etc.), may not be published without the consent of the person whose private life the information pertains to, i.e. of the person whose words, image or voice it contains, if such publication can lead to the recognition of that person's identity.

Consent shall also be needed for the live transmission of image or voice (via television, radio, etc.)

Information and records referred to in para 1 of this Article may not be published also without the consent of the person they are intended for, i.e. of the person they pertain to, if such publication would infringe on that person's right to privacy or any other right.

Consent granted to one publication, to a specific manner of publication i.e. to publication for a specific purpose, shall not be deemed consent to repeated publication, to publication in a different manner, i.e. to publication for a different purpose.

If compensation has been received for the consent to obtain information, i.e. to obtain or have insight in a record, it shall be deemed that consent has also been granted to its publication.

Consent of Other Persons

Article 44

If the person referred to in paras 1 and 2 of Article 43 of this Law died, the consent shall be given by the spouse of the deceased, independently by his/her children having reached sixteen years of age, by his/her parents or brothers or sisters, by the legal person that the deceased participated in (official, member, employee) in the event the information, i.e. record refers to his/her activities in the legal person, or by the person authorized therefor by the deceased.

Termination of a legal entity shall not terminate the rights of the person that had participated in the legal entity and that has been personally affected by the information i.e. record.

It shall be deemed that consent has been granted in the event it has been granted by any of the persons listed in para 1 of this Article, notwithstanding the refusal of other persons to grant it.

Exceptional Publication without Consent

Article 45

Exceptionally from Article 43 of this Law, private information i.e. personal records of a person may be published without the consent of the person they refer to if:

the person had intended the information i.e. the record for the public;

the information, i.e. record refers to a personality, phenomenon or event of public interest, especially if it applies to a holder of a state or political post and publishing the information is important in view of the fact that the person is discharging those duties;

the person has given rise to the publication of such information i.e. record by his/her behaviour;

the information has been disclosed or the record made in a public parliamentary debate or a public debate in a parliamentary body;

publication is in the interest of judiciary, national security or public security;

the person did not object to the collection of information i.e. the making of the record, although he/she was aware that this was done for publication purposes;

publication is in the interest of science or education;

publication is necessary to alert of a danger (prevention of a contagious disease, search for a missing person, fraud, etc.);

the record includes a multitude of persons or voices (fans, concert audience, protesters, passers-by etc.);

a record of a public gathering is at issue;

the person is presented as part of the landscape, natural setting, human settlement, square, street or a similar scene.

Protection of the Right to Privacy, i.e. of the Right to Personal Records

Article 46

In the event of a breach of the right to privacy, i.e. of the right to personal records, the person whose right has been breached may initiate a lawsuit against the responsible editor of the media outlet and demand:

1. non-publication of the information i.e. record;
2. the relinquishment of the record, removal or destruction of the published record (erasure of the video or audio recording, destruction of the film negative, removal from a publication, etc.);
3. compensation of material and non-material damages;
4. publication of the court ruling.

If the published information used a personal record or private life data without authorization, the aggrieved party may demand in his/her charges against the responsible editor part of the profit accrued by publication, commensurate to the degree his/her personal record or private data contributed to the profit.

The lawsuit in paras 1 and 2 of this Article shall be filed with the district court that is competent for the territory where the seat of the media outlet founder is located.

The right to press charges in paras 1 and 2 of this Article shall not apply to a person if information about his/her private life or personal record had been published without his/her consent and he/she a posteriori consented to its publication.

Unless differently specified by this Law, provisions of a separate law on litigation shall apply to lawsuits concerning breaches of privacy, i.e. the right to private records.

2. RIGHT OF REPLY AND CORRECTION OF INFORMATION

Right of Reply and Right to a Correction

Article 47

A person, whom the information personally refers to and may breach his/her right or interest, may request of the responsible editor to publish free of charge a reply in which that person claims the information is inaccurate, incomplete or incorrectly imparted.

If the responsible editor fails to publish the reply for none of the reasons for not publishing the reply set out in this Law, or if the responsible editor publishes the reply in an un-prescribed manner, the holder of the right of reply may bring charges against the responsible editor over the publication of the reply.

A lawsuit pertaining to the publication of a reply shall be limited only to establishing the facts determined by this Law and regarding the obligation of the responsible editor to publish a reply.

A person, whose right or interest has been breached by publication of inaccurate, incomplete or incorrectly imparted information, may demand in his/her lawsuit that the responsible editor publish free of charge his/her correction of the information as inaccurate, incomplete or incorrectly imparted.

A lawsuit on the publication of a correction shall be limited to the inaccuracy, incompleteness or incorrect imparting of the information and to whether the information violated the plaintiff's right or interest.

Other Persons' Right of Reply i.e. Correction

Article 48

In the event a natural or legal person is incapable of looking after his/her own interests, the reply i.e. charges for publishing the correction shall be submitted by the natural person's legal representative, i.e. by a body of the legal person.

A person participating in a legal person (member, official, employee) shall have the right of independent reply, i.e. correction if the published information refers to both the legal person and personally to the participant.

If the person the information refers to has died, the right of reply i.e. correction may be exercised by the spouse of the deceased, his/her children, parents, the legal person the deceased participated in if the information refers to his/her activities in the legal person, and other persons whose memory of the deceased may be or is hurt by the publication of the information.

If the legal person that the information refers to is defunct, the right of reply i.e. correction shall be transferred to the participants in the legal person.

By the publication of the reply i.e. correction made by any person referred to in paras 3 and 4 of this Article, the right of reply i.e. correction of other persons shall cease when the reply i.e. correction of the other persons concerns parts of the information the accuracy, completeness or correct imparting of which has already been disputed by a published reply i.e. corrected in the published correction.

Deadline for Submitting a Request to Publish a Reply

Article 49

A request for the publication of a reply shall be submitted to the responsible editor within 30 days from the date of the publication of information in a daily newspaper or a daily broadcast, i.e. 60 days from the publication of the information in a printed periodical or a periodical broadcast.

If the reply is submitted by a person, who is permanently or temporarily residing abroad, the deadline for submission shall expire after 60 (sixty) days.

Deadlines for Publishing a Reply and for Raising Charges

over Non-Publication of a Reply

Article 50

The responsible editor shall publish the reply without delay, in the very next or following issue of the daily newspaper, i.e. in the very next or following daily broadcast upon arrival of the reply.

If the information the reply is related to concerns a candidate in an election campaign, the reply shall be published in the very next issue, i.e. in the very next broadcast upon arrival of the reply.

If the responsible editor does not publish the reply, legal charges over the publication of a reply shall be submitted within 30 days from the day of expiry of the deadlines for publication of a reply in paras 1 and 2 of this Article.

Deadlines for Raising Charges over Non-Publication of Correction and for

Publishing a Correction

Article 51

The charges over the publication of a correction shall be filed within three months from the day the information was published.

The responsible editor shall publish the correction without delay, at the latest in the very next or following issue of a daily newspaper, i.e. in the very next or following daily broadcast upon reception of the ruling containing the correction; in the event of other media outlets, the correction shall be published in the very next issue i.e. broadcast upon reception of the sentence containing the correction.

If the information the correction is related to concerns an election candidate, the correction shall be published in the very next issue, i.e. in the very next broadcast upon arrival of the ruling containing the correction.

Deadlines in the Event of Death of a Natural Person i.e. Termination of a Legal

Person

Article 52

If the person the information regards has died, i.e. been terminated within the deadline envisaged for submitting a request to a reply or within the deadline for pressing charges for publication of a reply or correction, the deadline within which the request may be submitted shall be reckoned anew, from the time of death of the natural person i.e. termination of a legal person.

Charges over the Publication of a Reply i.e. Correction

Article 53

Charges shall be filed with the district court covering the territory where the seat of the founder is located.

The plaintiff may ask the court to order the publication of a reply i.e. correction subject to payment of an appropriate amount of money to the plaintiff in the event of non-publication.

An issue or copy of the printed matter in which the information was published i.e. whenever possible, an audio and video recording of the program in which the information was published, shall obligatorily be submitted along with the charges.

If a new responsible editor has been appointed since the charges were filed and the plaintiff does not amend the charges until the completion of the main hearing, the court shall dismiss the charges.

The consent of neither the initial defendant nor the new responsible editor shall be necessary for amending the charges in para 4 of this Article.

The plaintiff may amend the text of the correction without the consent of the defendant until the conclusion of the main hearing.

The court shall not allow amending if it finds that the amendments abuse procedural authority, especially if a large number of amendments has been made, and the court shall reach a separate decision on this issue that may be appealed separately.

Order to Submit an Audio or Video Recording

Article 54

Upon reception of the charges regarding the publication of a reply i.e. correction and at the request of the court, the responsible editor of an electronic media outlet that published the information, shall without delay submit to the court the audio or video recording of the program, under threat of a ruling against him/her if he/she fails to do so for no justifiable reason.

Submission of Multiple Replies

Article 55

If an authorized person presents several replies differing in content, either simultaneously or in succession, the responsible editor shall publish the one marked as authoritative.

If no reply has been marked as authoritative, the responsible editor shall publish the reply last received, and if the replies had arrived simultaneously, he/she shall publish the one that is the most thorough.

Principle of Equality of Information and Reply i.e. Correction

Article 56

The reply i.e. correction shall be published in the same section of the media outlet, in the same edition, the same column, on the same page, with the same layout, i.e. in the same segment of the TV or radio program, as the original information which the reply i.e. correction concerns and under the same title with the qualification "reply" i.e. "correction".

If the layout of the information, which the reply i.e. correction concerns, contains illustrations, (tables, photos, drawings, video recording, etc.), the reply i.e. correction may also contain illustrations.

The reply i.e. correction shall be published integrally and at once, except in the event that the information the reply i.e. correction refers to had been published in instalments and the length of the reply i.e. correction necessitates its publication in instalments.

If the TV or radio show that published the information the reply i.e. correction refers to was the only one or the last one in a series, the reply i.e. correction shall be published in the program most similar to the original one, or in the most similar time slot.

If the media outlet that published the information the reply i.e. correction refers to has ceased to exist, the reply i.e. the correction shall be published in the most similar media outlet or by some other means of public information at the expense of the persons that the rights and obligations of the media have been transferred to, and, if there is no legal successor, it shall be published in the most similar media outlet or by another media outlet at the expense of the person that had been the founder or the responsible editor at the time of publication of the information that the reply i.e. correction refers to.

If a media outlet again publishes the information that had prompted a reply i.e. correction, or if a media outlet publishes information to which a reply i.e. correction has already been published in another media outlet, the former media outlet shall simultaneously with the information publish whose reply i.e. correction had been published, when and where, and shall publish a reply i.e. correction upon request.

The reply i.e. correction shall be published in the same language as the information replied to i.e. corrected.

If the reply i.e. correction is composed in a different language from the language in which the information being replied to i.e. corrected concerns had been published, the responsible editor is obliged to publish the reply i.e. correction provided the holder of the right of reply i.e. correction translates at his/her own expense the reply i.e. correction into the language in which the information replied to i.e. corrected had been published.

Ban on Amending or Commenting a Reply i.e. Correction

Article 57

A reply i.e. correction shall be published without any modifications, omissions or additions.

Only the most essential proofreading amendments that do not alter the sense shall be allowed.

If a media outlet published a reply i.e. correction it had previously wholly or partly modified, the responsible editor shall upon request publish the original text of the reply i.e. correction, i.e. the original parts of the reply i.e. correction.

A comment of the reply i.e. correction in the same issue of the printed media outlet in which the reply i.e. correction was printed, i.e. in the same program in which it was broadcast, and in the programs broadcast on the same day the reply i.e. correction was published, shall be prohibited.

A person shall have the right of reply to a comment i.e. the right of correction of a comment.

Reasons for Not Publishing a Reply

Article 58

The responsible editor shall not be obliged to publish a reply i.e. the court shall not order the responsible editor to publish a reply if:

the reply has been submitted by a person whom the information does not personally refer to or another unauthorized person;

a reply same in content by an authorized person has already been published;

a reaction same in content by an authorized person has already been published in the same media outlet in another, equally valid form (an interview, statement, etc.);

a lawsuit over the publication of a reply to the same piece of information submitted beforehand has not yet been completed.

the authorized person failed to provide his/her name and address, i.e. name and seat in the request for a reply, and the missing data are unknown to the editor, or the submitted reply has not been signed;

the reply does not refer to the information that the submitter claims it refers to;

the reply makes no reference to the information being replied to (title of the information, issue and page number of the media outlet in which it was published, name of the show and time of broadcast, etc) and the responsible editor cannot easily determine which information it refers to;

the reply refers to an opinion, not to an assertion of facts, or the reply does not contain an assertion of facts, but an opinion;

the reply does not dispute the accuracy, completeness or correct imparting of the information it refers to, or the reply refers to information which, even if inaccurate, incomplete or incorrectly imparted, is not apt to violate a person's right or interest;

the reply has not been composed in the language in which the information it refers to had been published or has not been subsequently translated into that language;

the reply is disproportionately longer than the information it refers to and the holder of the right of reply has failed to conform it within the reply submission deadline;

the reply has been submitted after the expiry of the deadline for submitting a reply;

the reply is illegible, incomprehensible or senseless, and has not been rectified within the deadline for submitting a reply;

the publication of the content of the reply may provoke a ban on the publication of that information, criminal or misdemeanor charges, or civil law liability to a third party;

a reply has been submitted to the information the correction of which has already been published or the information has already been revoked, or the effect that was to have been achieved by the publication of the reply or part of the reply has already been achieved, unless a repeated publication of the information is at issue;

the accuracy, completeness or correct imparting of the information the reply refers to is obvious, generally known or established by an irrevocable decision by a competent body;

the content of the information the reply refers to is the same in content as the information authorized by the person requesting the publication of the reply;

the inaccuracy, incompleteness or incorrect imparting of the information the reply refers to is insignificant;

the reply refers to information stated in a public parliamentary debate or a public debate in a parliamentary body or in a court proceeding.

Reasons for the non-publication of a reply shall also apply to the non-publication of a part of the reply.

Informing the Submitter of a Reply of the Reason for the Non-Publication of a

Reply

Article 59

If a media outlet, i.e. the program in which the information the reply refers to is published i.e. broadcast at intervals exceeding 30 (thirty) days, the responsible editor shall within seven days upon reception of the request for the publication of a reply inform the submitter of the request of the reason for refusing to publish the reply.

Reasons for the Court Not to Order the Publication of a Correction

Article 60

The court shall not order the responsible editor to publish a correction i.e. part of the correction if the plaintiff fails to prove that the published information is inaccurate, incomplete or incorrectly imparted; if the information is inaccurate or incorrectly imparted, but the court finds it does not infringe on the right of the person it refers to; or, for any reason for the non-publication of a reply listed in para 1, items 1, 2, 4, 6-18 of Article 58 of this Law which accordingly apply to corrections.

Urgency of Legal Procedure

Article 61

The legal procedure related to the publication of a reply i.e. correction shall be urgent.

In the event of a lawsuit over publication of a reply, the case shall be allocated to a judge the same day the charges are received in court or the following day.

Main Hearing in the Lawsuit over the Publication of a Reply

Article 62

In lawsuits over the publication of a reply, no preliminary hearing shall be scheduled, nor shall the defendant be asked to present a response to the charges and the hearing sessions shall be scheduled at intervals not exceeding 8 days.

The first main hearing session shall be held within 8 days from the day the charges were filed with the court.

The court shall summon to the first main hearing session the plaintiff, the defendant and possibly the witnesses.

The summons to the plaintiff shall include notice that it shall be deemed that the charges have been dismissed in the event of his/her absence from the first or any subsequent hearing sessions; the summons to the defendant shall include notice that judgment may be passed at the first hearing session in the event of his/her absence, and that, in the event of his/her absence from the following hearing sessions, the judgment shall be based on the facts established theretofore.

In lawsuits over the publication of a reply, no dormancy shall apply to the case.

The restitution of the former state of affairs may be requested within one day from the end of exceptional circumstances.

The restitution of the former state of affairs may not be requested after the expiration of the five-day deadline from the day the procedural action has been missed.

Main Hearing in the Lawsuit over the Publication of a Correction

Article 63

No preliminary hearing shall be scheduled in lawsuits over the publication of a correction.

The court shall order the defendant to present a response to the charges within eight days upon delivery of the charges.

The first main hearing session shall be held within fifteen days upon reception of the response to the charges i.e. upon expiration of the deadline for responding to the charges.

The court shall summon to the first session of the main hearing the plaintiff, the defendant and possibly the witnesses.

The summons to the plaintiff shall include notice that it shall be deemed that the charges have been dismissed in the event of the plaintiff's absence from the first or any other subsequent main hearing session; the summons to the defendant shall include notice that, in the event of his/her absence, judgment can be passed at the first main hearing session, and that in the event of his/her absence from the following hearing sessions, the judgment shall be based on the facts established theretofore.

In lawsuits over the publication of a correction, no dormancy shall apply to the case.

Passing a Sentence and the Sentence

Article 64

The court shall pass and publicly pronounce the sentence immediately upon the conclusion of the main hearing.

A certified copy of the sentence shall be served to each party within three days upon the pronouncement of the sentence.

If the court concurs to the plaintiff's request for the publication of a reply i.e. correction, it shall order in the sentence the defendant to publish the reply i.e. correction within the deadline specified in Articles 50 and 51 and in the manner set out in Article 56 of this Law.

Appeal and Motion for a Retrial over the Publication of a Reply

Article 65

The litigants may file an appeal within five days from the day they have been served a certified copy of the sentence.

The appeal shall not be served to the opposing party for a response.

The provision on presenting a submission by telegraph envisaged by a separate law on litigations shall not apply to lawsuits over the publication of a reply.

A properly and timely filed appeal, together with all the case files, shall be presented by the first-degree court to the second-degree court within two days upon reception of the appeal.

The second-degree court shall rule on the appeal within five days upon reception of the appeal and the case files.

A motion for a retrial may be presented for reasons set forth in items 1), 2), 4), 5), and 6) of Article 421 of the Law on Litigation and shall be presented within eight days from learning the reason wherefore a retrial is requested and not later than 30 days from the day the sentence became legally binding.

No revision of the ruling of the second-degree court may be requested.

Appeal and Motion for a Retrial over the Publication of a Correction

Article 66

The litigants may file an appeal within eight days from the day they were served a certified copy of the sentence.

The appeal shall be served to the opposing party for a response without delay, within 3 days upon receipt of the appeal at the latest.

The response to the appeal shall be made within three days from the receipt of the appeal.

A properly and timely filed appeal, together with all the case files, shall be presented by the first degree court to the second-degree court within five days upon reception of the response to the appeal i.e. upon expiration of the deadline for responding to an appeal.

The second-degree court shall rule on the appeal within eight days upon reception of the appeal and the case files.

A motion for a retrial may be presented for reasons set forth in items 1), 2), 4), 5), and 6) of Article 421 of the Law on Litigation and shall be presented within eight days from learning the reason wherefore a retrial is requested and not later than 30 days from the day the sentence became legally binding.

Revision of the appellate ruling is admissible in the event the appeal has been dismissed and revision has been requested within 15 days from the day the appellate ruling has been served.

Serving the Irrevocable Sentence to the Founder

Article 67

A certified transcript of the irrevocable sentence ordering the publication of the reply i.e. correction shall be served immediately also to the founder of the media outlet.

Appointment of a New Responsible Editor after the Passing of the Sentence

Article 68

If a new responsible editor has been appointed upon the passing of an irrevocable sentence ordering the publication of a reply i.e. correction, the obligation to publish the reply i.e. correction specified in the sentence shall be transferred to the new responsible editor.

Consequences of Exceeding Deadlines

Article 69

If the court exceeds the deadlines set forth in para 2 of Article 62, para 2 of Article 64, para 4 of Article 65, and Article 67 i.e. Articles 63 and 66 of this Law, the chairman of the court, acting on a motion of the plaintiff, shall reassign the case without delay to another panel of judges.

The actions undertaken by the panel of judges that had handled the case originally and the actions undertaken by the litigants before the original panel of judges shall remain valid and need not be repeated.

Appropriate Application of the Law on Litigation

Article 70

Unless specified differently by this Law, provisions of a separate Law on Litigation shall accordingly apply to lawsuits over the publication of a reply i.e. correction.

3. OMISSION TO PUBLISH INFORMATION

Charges over Omission to Publish Information

Article 71

If there is specific danger of repeated publication, a person may raise charges, demanding of the court to issue an injunction to the responsible editor banning the repeated publication of inaccurate, incomplete or otherwise inadmissible information infringing on that person's right and to threaten the responsible editor with payment of an appropriate amount of money to the applicant in the event of breach of the injunction.

At the request of the person in para 1 of this Article, the court may order the responsible editor to publish within the deadlines set forth in paras 2 and 3 of Article 51 and free of charge the sentence banning the repeated publication of the information, unless a correction or revocation (recall of an assertion) has already been published or the court has already ordered in its ruling the publication of a correction or revocation.

The defendant shall bear the costs of the litigation if the danger of publication ceased after the charges were filed.

Application of Other Provisions of this Law

Article 72

The provisions of Article 48, paras 3, 4 and 5 of Article 53, Articles 54, 60 and para 1 of Article 61, Articles 63, 64, 66, 68, 69 and 70 shall apply accordingly.

The provisions of para 2 of Article 53, and Articles 56 and 57 of this Law shall apply accordingly to the publication of the sentence referred to in para 2 of Article 71 of this Law.

Temporary Injunction on the Repeated Publication of Information

Article 73

A person, whose right may be breached by the publication of inaccurate, incomplete or otherwise inadmissible information, may ask the court to pronounce a temporary injunction until the enforceable completion of the proceedings, prohibiting the responsible editor from publishing the information again and threatening him/her with commensurate financial compensation to the plaintiff in the event he/she violates the injunction.

The plaintiff must prove probable that there is a specific danger that the information shall be published again, that the information is inaccurate, incomplete or that its publishing would otherwise be inadmissible, and that considerable material or non-material damages may ensue from its publication.

The court shall consider the motion for a temporary injunction without delay, within 48 hours from the presentation of the motion.

An objection to the decision on the temporary injunction shall be presented not later than 48 hours after the injunction was served and the court shall rule on the objection within 48 hours.

4. INFORMATION ON THE OUTCOME OF CRIMINAL PROCEEDINGS

Right to Publish Information

Article 74

If a media outlet published the information that criminal charges have been brought against a certain person, that person shall upon completion of the proceedings have the right to request of the responsible editor to publish free of charge the information on the legal suspension of the proceedings, dismissal of the charges, i.e. acquittal.

Deadline for Submitting Requests and Content of the Information

Article 75

The request shall be submitted to the responsible editor within 30 days from the irrevocable completion of the criminal proceedings.

The information, the publication of which has been requested, shall contain only facts related to the irrevocable completion of the proceedings and not opinions and comments related to the original information.

Deadline for Publishing the Information

Article 76

The information shall be published in the very next issue, i.e. program upon receipt of the request for its publication.

Reasons for Non-Publication

Article 77

The responsible editor shall not be obliged to publish the information or part of the information referred to in Article 74 of this Law if:

its publication has been requested by an unauthorized person;

the media outlet has already published accurate, thorough and identical in content information on the completion of the criminal proceedings;

the authorized person failed to include in the request for publication his full name and address, and the missing data are unknown to the media outlet staff, or the authorized person failed to sign the request;

the request makes no reference to the original information and it cannot be easily established which information it regards;

the information contains solely opinions on or comments of the original information;

the information or part of the information on the irrevocable suspension of the proceedings, dismissal of the charges, i.e. acquittal is untrue;

the information or part of the information is inappropriately long, and the applicant has failed to abridge it at the request of the media outlet within 15 days upon request;

the request has been submitted after the deadline;

the publication of the content of the information, i.e. part of the information, would provoke criminal or misdemeanor charges, or civil liability to third parties.

Application of Other Provisions of this Law

Article 78

The provisions in Articles 56 and 57 of this Law shall apply accordingly to the publication of the information on the outcome of criminal proceedings.

5. PECUNIARY COMPENSATION OF DAMAGES

Right to Compensation of Damages

Article 79

Any person referred to in an inaccurate, incomplete information or any other information, the publication of which is prohibited in accordance with this Law, and any person, whose reply to, correction or another information the publication of which the person is entitled to in keeping with this Law has not been published and who has therefore suffered damages because of the publication or non-publication of such information, shall be entitled to compensation of material and non material damages, in keeping with the general provisions and articles of this Law, regardless of other legal remedies available to that person.

Solidary Liability

Article 80

The journalist, the responsible editor and the legal person, which is the founder of the media outlet, who had been able to establish the inaccuracy or incompleteness of the information prior to its publication by due diligence, shall bear solidary liability for the material and non-material damages caused by the publishing of the information.

The same obligation shall apply when damages have been caused by the inadmissible publication of accurate information (breach of privacy, blame for a committed criminal offense etc.), and in other instances of inadmissible publication of information.

Liability of the Journalist

Article 81

The author of the information, who is a journalist, shall be held liable for the damages inflicted by the publishing of inaccurate, incomplete information or information the publication of which is otherwise inadmissible if proven that he/she is to blame for the inflicted damages.

Exclusion of Liability

Article 82

The journalist, the responsible editor and the legal person, which is the founder of the media outlet, shall not be held liable for damages if the inaccurate or incomplete information was an accurate quote from a public parliament debate, a public debate in a parliamentary body, a court proceeding or a document provided by a competent state body.

Expansion of Liability Referred to in Paras 1 and 2 of Article 198 of the Code

of Obligations

Article 83

The author, the responsible editor and the legal person, which is the founder of the media outlet, who had been able to establish the inaccuracy or incompleteness of the information prior to its publication by due diligence, shall be held liable for the damages.

Objective Liability of the State

Article 84

The state shall always be held liable for damages caused by the publication of inaccurate or incomplete information provided by a state body, regardless of the guilt.

Deadline for Filing a Lawsuit over Compensation of Damages

Article 85

A lawsuit over the compensation of damages shall be filed within 6 months from the day the information was published.

Urgency of Legal Procedure

Article 86

The procedure in lawsuits over the compensation of damages shall be urgent.

Main Hearing in Damage Compensation Lawsuits

Article 87

No preliminary hearing shall be scheduled in lawsuits over the compensation of damages.

The court shall order the defendant to respond to the charges within 8 days from the day the charges were served.

The first session of the main hearing shall be held within fifteen days from the day the response to the charges was received, i.e. upon expiry of the deadline for the reception of the response to the charges.

The court shall summon to the first main hearing session the plaintiff, the defendant and possibly the witnesses.

The summons to the plaintiff shall include notice that it shall be deemed that the charges have been dismissed in the event of the plaintiff's absence from the first or any other subsequent session; the summons to the defendant shall contain notice that the ruling may be passed in the event of his/her absence at the first hearing session, and that in the event of his/her absence from the following sessions, the ruling shall be based on the facts established theretofore.

No dormancy shall apply to the case in lawsuits over the compensation of damages.

Passing of the Sentence

Article 88

The court shall pass and publicly pronounce the sentence immediately upon concluding the main hearing.

A certified copy of the sentence shall be delivered to each party within three days from the day the sentence was passed.

Appeal, Request for Retrial and Revision of Lawsuit over the Compensation of

Damages

Article 89

The litigants may file an appeal within eight days upon reception of a certified copy of the sentence.

The appeal shall be served to the opposing party for a response without delay, within three days upon reception of the appeal at the latest.

The response to the appeal shall be presented within 3 days upon reception of the appeal.

A properly and timely filed appeal, together with all the case files, shall be presented by the first degree court to the second-degree court within five days upon reception of the response to the appeal, i.e. upon the expiry of the deadline for responding to the appeal.

The second-degree court shall rule on the appeal within eight days upon reception of the appeal and the case files.

A motion for revision shall be presented within 15 days from the day of reception of the second-degree ruling.

Publication of the Sentence by the Media Outlet

Article 90

When the sentence becomes irrevocable, the responsible editor shall publish the sentence pronouncing the obligation to compensate the damages without commenting it and without delay, in the very next or following issue of a daily newspaper i.e. in the very next or following daily broadcast.

In the event the responsible editor does not act in accordance with the provision in para 1 of this Article, the court competent for passing a decision on sentence enforcement shall, at the request of the plaintiff, fine the responsible editor in accordance with provisions of the law regulating the enforcement procedure and rule on the enforcement of the decision on the fine.

IX SUPERVISION

Article 91

The implementation of this Law shall be supervised by the Republican state administration body in charge of public information affairs, while, in the autonomous province, the implementation of this Law shall be supervised by the provincial administration body charged with public information affairs.

X PUNITIVE PROVISIONS

Economic Offense

Article 92

A fine between 100,000 and 1,000,000 dinars for an economic offense shall be imposed upon a person involved in the distribution of media outlets that refuses to distribute a media outlet without a justified reason, i.e. if the person sets conditions for distribution contrary to market principles (Article 16).

A fine of 10,000 to 200,000 dinars for the economic offense in para 1 of this Article, shall also be imposed upon the responsible person in the legal person acting as a distributor of media outlets.

Article 92a

A founder of a media organization shall be fined for a commercial offence with a 1,000,000.00 to 20,000,000.00 dinar fine in case of founding a media outlet contrary to the prohibition from Article 14a, Paragraph 3 of this Law, and in case of operating a media outlet which has not been registered with the Register of Media Outlets (Article 14a, Paragraph 5).

Along with the fine from Paragraph 1 of this Article, the court shall pronounce the protective measure of prohibition to conduct publishing activities to the founder.

In case of the commercial offence from Paragraph 1 of this Article, the responsible person in the founder of the media outlet shall be fined with a 200,000.00 to 2,000,000.00 dinar fine.

Along with the fine from Paragraph 3 of this Article, the court shall pronounce the protective measure of prohibition to perform certain duties.

Article 92b

A fine of the amount 25% to 100% of the total value of the publication sold as delivered to distributors on the day on which information was published and the value of the advertisements sold in that particular issue, and, in case of broadcast media, a fine at the amount of 25% to 100% value of advertising time for the day on which information was published, shall be imposed as a fine for commercial offence against the founder of a media outlet in case a person within the media outlet was proclaimed a perpetrator of a punishable act, i.e. in case such person was found guilty or responsible prior to passing a final ruling by the court or another competent body (Article 37).

In case the from Paragraph 1 of this Article was committed by publishing information on the front page of a publication, the founder of the media outlet shall be fined with the amount corresponding to the total value of circulation as delivered to distributors over the period of seven days, counting from the day on which the information was published, and the value of the advertisements in the publication over this period.

In case the commercial offence from paragraph 1 of this Article was committed by publishing information in an electronic form within news headlines, the founder of the media outlet shall be fined with the amount corresponding to the value of advertisements sold for the period of seven days as of the day on which information was published.

In case of the commercial offence from Paragraph 1 of this Article, a fine of the amount of 200,000.00 to 2,000,000.00 shall be imposed against the responsible person in the founder of the media outlet as well as the editor-in-chief of the media outlet.

The fine from Paragraph 1 of this Article shall be imposed as a fine for commercial offence against the founder of a media outlet in case the contents which may be harmful for development of minors published by the media outlet was not clearly and visibly designated, i.e. in case a minor person has been made recognizable by publishing information which may violate his/her rights or interests (Article 41 Paragraphs 2 and 3).

In case the offence from Paragraph 1, i.e. Paragraph 5 of this Article has been committed for the first time, the court shall pronounce a suspended sentence and the protective measure of publishing the sentence.“

Article 93

A fine of 1.000.000 to 10.000.000 dinars for a violation shall be imposed upon the legal person which is the founder of a media outlet if:

1. the media outlet fails to publish the imprint with the prescribed content or in the prescribed manner (Articles 26-28);
2. the responsible editor has not been appointed, the editor-in-chief does not simultaneously have the status of responsible editor, or a person enjoying immunity from responsibility or a person without residence in the territory of the Republic of Serbia has been appointed responsible editor, (Article 30);
3. it fails to honor the obligation of keeping copies (Article 35);
4. it fails to provide insight in the kept copies pursuant to the provisions of this Law (Article 36).

A fine of 100.000 to 1.000.000 dinars shall also be imposed upon the responsible person in the media outlet founder, which is a legal person, for the violation referred to in item 1 of this Article.

Article 94

A fine of 5,000 to 60,000 dinars for a violation shall be imposed upon the responsible editor if the media outlet publishes a comment simultaneously with the reply, correction, subsequent information about the outcome of criminal proceedings, i.e. about the sentence (Articles 57 and 90).

Article 95

A fine of 1.000.000 to 10.000.000 dinars for a violation shall be imposed upon the responsible founder of a media outlet if:

1. the responsible editor fails to publish a reply, correction or subsequent information on the outcome of a criminal proceeding, i.e. does not publish the sentence when it becomes irrevocable or fails to publish it within the deadlines or in the manner envisaged by this Law (para 1 of Article 39, paras 2 and 3 of Article 50, paras 2 and 3 of Article 51, Articles 56, 64, para 2 of Article 71, Article 76, and para 1 of Article 90);

2. the responsible editor demands payment to publish a reply, correction or subsequent information on the outcome of a criminal proceeding i.e. sentence (para 1 of Article 39, para 1 of Article 47, para 2 of Article 71, para 1 of Article 74, para 1 of Article 90);

A fine at the amount of 100,000.00 to 1,000,000.00 shall be imposed against the editor-in-chief of the media outlet for a offence from paragraph 1, items 1) and 2) of this Article.

Article 96

A fine of 30,000 to 200,000 dinars for a violation shall be imposed upon the legal person ? the distributor of a media outlet that exposes printed matter with pornographic content publicly, making it accessible to minors over 14 years of age, i.e. exposes printed matter containing pornography on the front or back cover page or lacking a clearly visible warning that it contains pornography or a warning that it is not intended for minors (Article 42).

An entrepreneur who is the distributor of the media outlet, shall be imposed a fine of 3,000 to 20,000 dinars for the violation in para 1 of this Article.

The responsible person in the legal person, which is the distributor of the media outlet, shall also be imposed a fine of 3,000 to 20,000 dinars for the violation in para 1 of this Article.

Article 97

A fine between 20,000 and 400,000 dinars shall be imposed for a violation upon a distributor -entrepreneur that refuses to distribute a media outlet without a justified reason or sets conditions for the distribution which are contrary to market principles (Article 16).

Article 98

A fine of 100,000 to 1,000,000 dinars for a violation shall be imposed upon a natural person who sets up a media outlet without previously setting up a legal person as the founder of the media outlet (Article 14)

Article 99

A fine between 30,000 and 200,000 dinars shall be imposed for a violation upon a legal person who attributes the authorship of information published in the media outlet to a person who is not the author of the information.

A fine between 3,000 and 20,000 dinars shall be imposed on the natural person for the violation in para 1 of this Article.

A fine between 3,000 and 20,000 dinars shall be imposed on the responsible person in the legal person for the violation in para 1 of this Article.

Article 100

Funds collected from fines envisaged in Articles 92-99 of this Law shall be paid to a separate account controlled by the Republic of Serbia Finance and Economy Ministry and allocated to media outlets or journalists who had suffered financial or material damages during the implementation of the (previous) Public Information Law (Official Gazette of the Republic of Serbia, No 36/98 and 1/01).

Article 101

The Minister in charge of public information operations shall pass a regulation on the keeping the Register of Media Outlets within 30 days as of the day on which this Law enters into force.

Founders of daily print media shall file an application to be entered into the Register of Media Outlets within the period of 30 days as of the day on which the Rulebook from Paragraph 1 of this Article has entered into force, whereas founders of other media shall file the application within the period of 90 days as of the day on which the Rulebook from Paragraph 1 of this Article has entered into force.

XI TRANSITIONAL AND FINAL PROVISIONS

Article 102

Media outlet founders shall bring their organization and general acts into accord with the provisions of this Law within 90 days from the day this Law becomes effective.

Media outlets, which are founded by the state or a territorial autonomy entity, or a predominantly state-owned institution, i.e. company, or media outlets, which are wholly or predominantly funded from public revenues and to which provisions of the Broadcasting Law do not apply, shall cease to operate within two years from the day this Law comes into effect.

Article 103

With the entry into force of this Law, the provisions of the Law on Public Information (Official Gazette of the Republic of Serbia Nos 36/98 and 11/2001) regarding the registration of media outlets and the publication of replies and corrections, the Law on Public Information System Bases (Official Herald of the Socialist Federal Republic of Yugoslavia No 84/90 and Official Herald of the Federal Republic of Yugoslavia, Nos. 11/93, 16/93, 31/93, 41/93, 50/93, 24/94 and 28/96) and the Law on Import and Dissemination of Foreign Mass Communication Media and Foreign Information Activities in Yugoslavia (Official Herald of the Socialist Federal Republic of Yugoslavia, Nos. 39/74 and 74/87 and Official Herald of the Federal Republic of Yugoslavia Nos. 24/94 and 28/96) shall no longer be applicable.

Article 104

This Law shall enter into force on the eighth day upon publication in the "Official Gazette of the Republic of Serbia".

5.22 ANNEX – LAW ON ADVERTISING

THE LAW ON ADVERTISING

I. BASIC PROVISIONS

1. Subject

Article 1

This law regulates the conditions and mode of advertising, rights and commitments of advertisers, producers and transmitters of advertisements, as well as the rights of the recipients of the advertisements.

2. Terms

Article 2

Certain terms used in this law have the following meaning:

- 1) **advertising** is informing through an advertising medium which recommends an advertiser, his activity, product, service or other recommendation in order for a recipient to whom it is addressed to accept it or use it;
- 2) **advertisement** is a message which recommends an advertiser, his activity, product or service;
- 3) **advertising medium** is a leaflet, brochure, product packaging, poster, photograph, card, board, sign, billboard, light body, display, motor vehicle, instrument of business communication (letterhead, envelope, business card), instrument of business representation (greeting card, calendar, pocket-book), as well as other means through which an advertisement can be made available to a recipient;
- 4) **advertiser** is a legal entity, entrepreneur or a physical person whose company name, personality, activity, product or service is being recommended by the advertisement;
- 5) **producer of an advertisement** is a legal entity or entrepreneur who is registered for performing advertising activities, creating or producing advertisements, planning or leasing ad space in public media, that is, for particular stages of advertising process;
- 6) **transmitter of advertisement** is a public medium (newspapers, radio programme, television programme, news agency service, Internet and other electronic editions of public media and other means of information intended for public distribution and unspecified number of users), main or additional contents of which are advertisements;
- 7) **other transmitters of advertisements** are legal entities or entrepreneurs who in the windows of their work facilities or in other places show advertising instruments, advertisement, as well as the organisers of cultural, entertainment, sports and other public events who transmit advertisements to their auditorium;
- 8) **recipient of advertisement** is a consumer, user of services and other person to whom advertisement refers;
- 9) **sale point** is a work facility, space, where registered activity is performed in accordance with law;
- 10) **open space** is a public area as well as other areas where advertising instruments may be set.

3. Principles of advertising

3.1. Principle of freedom of advertising

Article 3

Advertising is free.

Advertising is done in accordance with law, other regulations, good business practice and professional ethics.

Foreign legal entities and physical persons have the same rights and commitments in advertising as domestic entities.

3.2. Principle of true, complete and specified advertisement

Article 4

Advertisement must be true, complete and specified, in accordance with law, good business practice, fair competition and professional ethics.

A true, complete and specified advertisement contains information that are reliable and empirically confirmed, that is, in which data that are important for getting the right notion on the subject of the advertisement are not omitted.

If the advertisement refers to opinions of certain scientists or experts, they must be confirmed, documented, updated and verifiable.

An advertisement may contain statistical data or poll results, providing that in that way the data in the advertisement are not given higher value of the one they actually have.

An advertisement may contain scientific or allegedly scientific terminology, providing that in that way the data in the advertisement are not given the scientific character they do not possess.

3.3. Principle of recognising an advertising message

Article 5

A message that presents an advertisement must be recognisable.

If the advertisement appears together with some other message, that is, a notice, which does not have the advertising character the advertisement must be clearly pointed out.

An advertisement is forbidden if it is directed at subconscious, as well as if recommends products and services during shows that are not intended for advertising or other forms of undercover advertising.

3.4. Principle of banning misuse of trust

Article 6

An advertisement must not be created to misuse trust, relationship of dependence or affection, ingenuousness, lack of experience or knowledge and superstition of advertisement recipients.

The advertisement must not contain elements which openly or covertly threat, support, stimulate violence or unjustified fear or which address the recipients from the point of view of the authority to the subordinates, minors, economically or otherwise dependent persons.

3.5. Principle of banning discrimination

Article 7

Advertising may not directly or indirectly encourage discrimination on any grounds, especially on the grounds of race, skin colour, sex, nationality, social background, birth, religion, political or other convictions, economic status, culture, language, age, mental or physical disability.

Advertising or publishing may not be denied due to racial, national or ethnic convictions, sex or some other personal feature of a person asking publication or broadcast of an advertisement.

3.6. Principle of banning moral violation

Article 8

An advertisement must not contain statements or visual representation that cause association that in the circumstances of a specific case may be considered inappropriate, especially considering the contents of the advertisement, means and manner of advertising, sensibility of persons to whom it is directed, as well as type of the advertiser, activity, product or service advertised.

3.7. Principle of banning individual advertising by way of personal address

Article 9

An advertisement may not be directed individually at particular person, if he/she clearly expressed his/her will not to be addressed.

Advertising by way of sending unordered goods is illegal, as well as direct address to a person in public, if that person has expressed clearly his/her will not to be spoken to and if this address is not in accordance with the prescribed conditions and manner of advertising.

It is illegal to advertise by sending advertisements via calling devices with or without mediation, via fax or electronic messages without consent of the recipient of the advertisement.

3.8. Principle of banning violation of competition, creating and maintaining dominant position

Article 10

It is illegal to decline publishing or broadcasting of an advertisement if not publishing of that message causes violation of competition, creates or maintains a dominant position of the market participants.

II. TERMS AND INSTRUMENTS OF ADVERTISING

1. Terms of advertising

Declaration

Article 11

An advertiser is bound to submit to the person publishing or broadcasting an advertisement, in addition to the advertisement, a filled in form (herewith: the declaration) which contains information on:

- 1) the producer of the advertisement (company name and seat, number under which it is registered in the appropriate registry for performing the activity of producing advertisements, that is, name and surname, address of residence, personal identification number, id number and the place of issue by an authorised person);
- 2) the advertiser (company name and seat, number under which it is registered in the appropriate registry for performing the activity that is the subject of advertisement, that is, name and surname, address of residence, personal identification number, id number and the place of issue by an authorised person);
- 3) the advertisement (text, duration, dimensions, manner of advertising, the author of the text, music, photograph, illustration, design, the director, cameraman or sound editor, the performer whose face or voice is used in advertisement, as well as the information on other authors in terms of regulations on protection of copyrights).

If the advertiser does not submit the declaration with the advertisement or the submitted declaration does not contain the required data, the advertisement shall not be published or broadcasted.

The minister of trade proscribes in detail the contents of the declaration.

Article 12

An advertisement may recommend the advertiser, his activity, product, service or other recommendation, providing that performing that activity or production and trade in these products or rendering those services is not illegal.

Article 13

If for the activity that includes subject of advertising it is proscribed by law that it may be done only by consent, permission or other act of a state body, advertising is allowed if that consent, permission or other act of the state body has been obtained.

2. Advertising instruments

1. TV advertising and TV sales

Article 14

TV advertising in terms of this law is broadcasting of advertisements with or without compensation, for the purpose of recommending an advertiser, his activity, product, service or other recommendations in order for a recipient at whom it is directed to accept it or use it.

TV advertising without compensation is done in the following cases:

- 1) TV advertising for self-promotion reasons with which the viewers are informed on the contents of the programme to be broadcasted in the next seven days, including advertising certain shows from the programme;
- 2) the announcements of public services and the advertisements of non-profit organisations for charity or humanitarian actions as well as their appeals for charity or humanitarian action which are performed without compensation;
- 3) showing of the identification sign of the TV programme.

TV sale in terms of this law is broadcasting with compensation of direct offers of products or services, including immovable property, rights and obligations.

Duration of TV advertising and TV sales in programmes of the commercial television stations

Article 15

Duration of TV advertising and TV sales in programmes of the commercial television stations may be maximum 20% of the total daily broadcasted programme.

Duration of TV advertising and TV sales in programmes of the commercial television stations may be maximum 15% of the total broadcasted daily programme.

Within the full hour of the programme broadcasted on television stations from Paragraph 1 of this Article, it is permitted to broadcast maximum 12 minutes of advertisements and TV sale messages.

If on a commercial television station there is TV sale as a special show, that show must last at least 15 minutes without interruption and there may be maximum 6 shows of TV sale per day in total duration of maximum three hours.

The show from Paragraph 4 of this Article must be clearly marked as TV sale both visually and in sound.

The restrictions from Paragraph 4 of this Article do not apply to the programmes designed exclusively for TV sale.

Duration of TV advertising and TV sales in programmes of the public broadcasting service

Article 16

In programmes of the public broadcasting service, duration of TV advertising of TV sales may be maximum 10% of the total daily broadcasted programme.

Within the full hour of public broadcasting service programme it is permitted to broadcast maximum six minutes of advertisements.

TV sale shows may be broadcasted in programmes of public broadcasting service only in the period between 00:00 and 06:00 hours, under conditions from Article 15, Paragraphs 4 and 5 of this law.

The provisions in Paragraphs 1 and 3 of this Article apply to the television stations of civil sector, as well as on the television stations of local and regional communities.

Mode of broadcasting advertisement and TV sales message

Article 17

Advertisements and TV sales messages are broadcasted between certain shows.

If the conditions envisaged by this law are fulfilled, advertisements and TV sale messages may be broadcasted also during the show in a way that does not violate wholeness and value of that show, that is, does not violate copyrights.

If the show consists of special parts or if sports, cultural or similar event that is being broadcasted has intermissions (half time, time-out etc.), advertisements and TV sale messages may be broadcasted only between parts of the show, that is, during breaks.

Broadcasting of audio-visual parts such as motion pictures or TV films, except serials, series, entertainment and documentary programmes, may be interrupted for broadcasting of advertisements or TV sale messages only if those features last more than 45 minutes, once on every 45 minute.

If broadcasting of audio-visual parts from Paragraph 4 of this Article lasts more than 90 minutes, additional intermissions are permitted once on each additional 45 minutes, providing that there is at least 20 minutes between every two intermissions.

If the programmes are interrupted by broadcasting of advertisements or TV sale messages, between two blocks of advertisements or TV sale messages must be at least 20 minutes, except in cases under Paragraph 3 of this Article.

In news and documentary programmes broadcasting of advertisements and TV sale messages may be done under conditions and in a manner stated in Paragraphs 1 to 6 of this Article, if those programmes last over 30 minutes.

Broadcasts of religious ceremonies may not be interrupted by advertisements and TV sale messages.

In programmes with religious content that last more than 30 minutes advertisements and TV sale messages that are in accordance with the contents of the programme may be broadcasted, under conditions from Paragraphs 1 to 6 of this Article.

In children shows that last over 30 minutes only the advertisements designed for children may be broadcasted under conditions from Paragraphs 1 to 6 of this Article.

Broadcasting of advertisements during live sports broadcasts through public broadcasting service

Article 18

Broadcasts of international sports events of national importance (Olympic Games, World and European championships, etc.) via public broadcasting service may be interrupted by advertisements and TV sale messages maximum nine minutes per hour, providing that the total daily broadcasting of advertisements and TV sale messages may last maximum 10% of total daily broadcasted programme.

The list of international sports events from the Paragraph 1 of this Article is determined by the Republic Broadcasting Agency.

Mode of broadcasting blocks of advertisements and TV sales messages

Article 19

Advertisements and TV sales messages are usually broadcasted in blocks.

The beginning and the end of advertisements and TV sales message blocks must be recognisable and separate from other programme content both visually and by sound.

Duration of start and end credits, advertisements blocks and TV sale messages is counted into the total duration time of advertisements and TV sale messages.

Mode of selling services of TV advertising and TV sales in programmes of institute of public broadcasting service

Article 20

The Institute of public broadcasting service may sell its services of broadcasting of advertisements and TV sale messages to third persons for maximum one year in advance.

Total value of services from Paragraph 1 of this Article may not be higher than 60% of the total value of the programme designed for TV advertising and TV sale in one year.

Value of the services from Paragraph 1 of this Article sold to one person or group of connected people in terms of law that regulates corporate income tax of the company, may not be more than 10% of the total value of the programme designed for TV advertising and TV sale in one year.

The person from Paragraph 1 of this Article concedes his right to broadcasting of advertisements or TV sale messages to another person at the price higher than the price determined by the price-list of the Institute of public broadcasting service, on which advertisement or TV sale shall be broadcasted, on the day when the person who transfers the right obtains that right.

It is illegal for the Institute of public broadcasting service to transfer to third persons the right to an exclusive sale of services of broadcasting of advertisements in its TV programmes.

Institute of public broadcasting service and radio and television station of civil sector may not be mediators, agents, or to take over the role of an advertiser for account and on behalf of a third person.

TV programmes intended exclusively for self-promotion

Article 21

The provisions of this law on TV advertising and TV sale duly apply also to the TV programmes designed exclusively for self-promotion.

Other forms of TV advertising in such programmes are permitted under conditions from Article 15, Paragraph 3 of this law.

TV programmes intended exclusively for TV sales

Article 22

The provisions of this law on TV advertising and TV sale duly apply also to the TV programmes designed exclusively for TV sale.

2. Radio advertising

Article 23

The provisions of Articles 16, 18, 19 and 20 of this law duly apply to radio advertising.

3. Advertising in open space

Article 24

Advertising in open space is done in a manner that ensures safety of pedestrians, motor vehicles and other participants in traffic, protection of cultural and historical monuments and property of common interest and preservation and improvement of the outlook of the city or settlement.

Setting advertising boards in public space

Article 25

In public space, an advertising board may be set based on the permit of the responsible body.

The responsible body may decline to issue the permit from Paragraph 1 of this Article if it ascertains that setting the banner in public space would jeopardise safety of pedestrians, motor vehicles and other participants in traffic, and protection of cultural and historical monuments and property of common interest or distort preservation and improvement of the outlook of the city or settlement.

Setting posters in public space

Article 26

Advertising on a poster in public space is allowed:

- 1) if the poster is set in public space which is designed for that purpose by a decision of a municipality, city or organisation that manages that public space;
- 2) if a permit is needed for setting posters in public space from municipality, city or organisation that manages public space, upon obtaining that permit;
- 3) if a decision of municipality, city or organisation for managing public space determines free space for setting each poster on specific public space and time in which the poster may be set, upon obtaining that permit.

Setting posters in other spaces

Article 27

In spaces that are not public, setting posters is permitted only with the consent of the owner or user of that space.

Carrier of advertising message that contains information on business name, seat and founder of health institutions

Article 28

A panel or other carrier of advertisement that contains information on the company name, seat and founder of a health-care facility, or other form of health service and working hours, must be of square or rectangular shape, dimensions may not exceed 35 x 50 centimetres, set in the wall by the entrance to the building in which the work premises for performing medical activity are situated.

The panel or other carrier of the advertisement from Paragraph 1 of this Article contains other data in accordance with the law that regulates medical activity.

Setting other advertising instruments

Article 29

Setting other advertising instruments in open space, such as pillars, balloons, stands of public transport, screens, electronic displays, illuminated letters, etc. is done in a way and under conditions from Article 25 of this law.

III. UNTRUE, COMPARATIVE AND MISLEADING ADVERTISING

Article 30

The following is illegal:

- 1) the advertising that untruly presents the identity of the advertiser, his activity, product or service;
- 2) the omitting of important information, the use of vague or ambiguous expressions, old or outdated citations or other information that mislead in terms of the identity of the advertiser, his activity, product or service (type, characteristics, quality, origin or other information on product or service) and other recommendations addressed to recipient of advertisement;
- 3) the advertising that presents imitation or copy of other person, his activity, product or service;
- 4) the advertising that disparages, suspects or in other inappropriate manner shows the identity of other person, his activity, product or service;
- 5) the comparison of an advertiser, his activity, product or service with other advertiser, his activity, product or service to the detriment of the other, that is, for acquiring material benefit;
- 6) the advertising that by referring to the other person, his company name, trademark, activity, product or service uses the reputation of

that other person in a manner that is misleading for the recipients of the advertisement.

Article 31

Advertising may not be used to cover important shortcomings, dangerous or detrimental characteristics of the products, services or other contents that are being recommended to the recipient of the advertisement.

Article 32

Advertising is illegal when an advertiser, his activity, product or service is untruly compared with the competitor's activities, products or services to the detriment of the competitor or that causes misapprehension in the market between the advertiser and the competitor.

The advertising is illegal when an advertiser, his activity, product or service is compared with other advertiser, his activity, product, service or price, if those activities, products or services are of different kind or have different objective or purpose.

It is illegal to advertise products or services as imitations or copies of products and services that have trademark or commercial name, as well as to use the advantage of the trademark or other mark by which the competitor is recognised.

Article 33

It is illegal to advertise by using the reputation or the advertisement of other persons without their approval.

Advertising with call for boycott

Article 34

Advertising is illegal when it calls for boycotting other person, interrupting or preventing establishment of relations with other person.

Advertising with unauthorised symbols

Article 35

Advertisement may not contain symbols the use of which is against regulations, business practice or morale.

Unauthorised use of trademark, stamp, company name, trade name, mark of product origin or other mark by which the competitor is recognised is illegal.

The use of the flag, national anthem or coat of arms in advertising must be in accordance with the law that regulates the use of those state symbols.

Advertising pornography

Article 36

It is illegal to advertise pornographic contents, except in pornographic press.

The advertisement the content of which is not pornographic, but which refers to pornography (hot line, advertisement for pornographic press, porn movies) is illegal, except on television and radio programmes between 00:00 and 05:00 hours and in pornographic magazines.

Advertising referring to pornography is illegal in specialised television and radio programmes for minors, as well as in television and radio programmes showed in the period from Paragraph 2 of this Article that are designed for minors. Pornographic press on cover and last page must not contain pornographic advertisements.

Showing use of force

Article 37

It is illegal to advertise unjustified use of force or threat with the use of force.

Ban on emphasising dominant position of a person in relation to the person of the opposite sex

Article 38

Advertising is illegal when it unjustifiably shows a person in dominant position in relation to a person of the opposite sex, especially by presenting typical forms of authority or other relations of dominance of a person in relation to a person of the opposite sex.

Article 39

It is illegal to show in an advertisement sexual harassment as acceptable, desirable or common social behaviour.

Article 40

Minors under 16 years of age must not be connected with sexuality in an advertisement.

Men and women may not be presented in an advertisement as boys and girls with sexual characteristics of adults.

Exploitation of concern and lack of knowledge on preservation of health or environment

Article 41

Advertising is illegal when it unjustifiably exploits people's concern for preserving health or environment, as well as their lack of knowledge on ways and means for environment protection.

Article 42

Advertising may not encourage or approve actions that are not in accordance with the regulations on environment protection.

Article 43

An advertisement may not contain untrue claims that a product or a service has positive or negative effect on protection of health or environment, especially by emphasising words "ecologically safe", "environment friendly", "eco food", "healthy food" and similar words or symbols with the same meaning.

Use of personal property in advertising

Article 44

If an advertisement contains name, personal data, personal record, face record-photo, drawing, film, video or digital recording, recording of voice or words said – tape, phonograph and digital recording, written records- letter, diary, note or digital inscription (herewith: personal property), on the basis of which identity of a person may be ascertained or recognised, the advertisement may not be published without previous consent of the person to whom the property refers.

If the person to whom personal property refers dies, the consent in terms of Paragraph 1 of this Article is given by a spouse, children, parents of the deceased or a person who is designated by legacy.

For a physical person incapable of looking after his/her own interests, a consent in terms of Paragraph 1 of this Article is given by his/her legal representative.

The consent by a person to whom personal property refers, given for use of the personal property on other grounds, with or without compensation, and not on the grounds of advertising, is not at the same time considered as the consent for its use in an advertisement.

Article 45

The consent given for use of personal property in an advertisement or for a certain advertising period, certain advertising manner, or advertising for certain purpose, is not considered the consent for a repetitive or extended advertising, for advertising in other manner, or advertising for other purposes.

Article 46

If a person to whom personal property refers has kept the right to withdraw consent for using personal property in an advertisement, the advertisement may not contain personal property upon receiving the withdrawal.

A person to whom personal property refers to has the right to a withdrawal even when he did not keep that right at previous consent to the use of personal property, if according to circumstances of the case such advertising would cause damage to his interests that he could not have foreseen.

If the consent for using personal property has been withdrawn in accordance with Paragraph 2 of this Article, the advertiser is entitled to compensation for the damage caused by the withdrawal of the consent for using personal property.

Article 47

If a person whose personal property is used in an advertisement, consents to its use afterwards, he is entitled to an appropriate compensation for the use of his personal property.

Article 48

Personal property of public persons, such as musicians, actors, sportsmen, politicians and others, may not be used in advertising products intended for minors, as well as products the sale of which to minors is illegal.

Journalists, TV hosts and announcers of informative, sports and children radio and TV shows may not appear in advertisements by way of their face, voice or other personal property.

IV. SPECIAL CASES OF ADVERTISING

1. Advertising products and services

Article 49

A product or a service may not be untruthfully marked in an advertisement or marked in a way that may mislead in terms of the producer, service provider, price, sale mode, delivery and payment, origin, quality, quantity, expiry date, terms of guarantee, service options, official acknowledgements or other features.

If the advertisement states official awards, the advertiser is bound to state also the year of receiving of the award.

A product or a service may not be marked in an advertisement under the name that by contents, quality, quantity, expiry date or other feature does not suit it.

Article 50

If for using a product additional works are needed or when a product cannot be bought or used separately from the whole, an advertisement must contain the information on that.

Advertising bargain sale

Article 51

It is illegal to advertise in a manner that misleads a recipient in terms of product price by advertising sale, virtual discount product or service prices, as well as advertising of inaccurate price discount or other benefits.

If upcoming or already started sale is being advertised, exact time of its duration has to be marked, as well as the type of product to which the sales refers or type of service to which the discount refers.

If products or services are advertised at prices preferential for certain categories of people, for certain area or time period, the category of people to which the preferential price applies has to be precisely marked, that is, the area and period to which the preferential price applies.

Gift promise

Article 52

Promising gifts in an advertisement by using words such as "free", "pay for one, get two", "two for one" etc. is allowed only if the product or service is offered at the current price of the provider for that product or service.

Advertisement must not mislead a buyer of product or user of service on the true value of goods or services by promising a gift.

It is illegal to advertise for the purpose of winning a customer or user of service by promising material benefit or advantage the value of which is significantly higher than the usual value of a gift.

Comparison of the previous price with the price in the advertisement

Article 53

It is illegal to compare previous prices with the current ones in an advertisement for the same product or service of the same provider, if:

- 1) the previous price is determined as a fictive price;
- 2) the previous price is much higher than the market price;
- 3) a product or a service was offered in the market at the previous price in a negligible short period or was never offered at that price;
- 4) the difference between the previous and current price is negligible.

Inaccurately stated price

Article 54

Price of product or a service to which the recommended price is being compared may not be shown inaccurately in an advertisement.

Comparison to the recommended prices

Article 55

A price of a provider's product may not be compared in an advertisement to a recommended price of a producer or a wholesale trader if the recommended price is much higher than the market price.

Comparing prices of the products and services of different quality

Article 56

If an advertisement compares prices of the products or services of different quality, that is, prices of the products with or without flaw, it

must be stated that the lower price is conditioned by lower quality, that is, by the flaw.

Phone tariff

Article 57

An advertisement that refers to a phone number for which a special tariff applies must contain the amount of that tariff that is to be displayed during the entire duration of the advertisement.

Guarantee for proper functioning

Article 58

In an advertisement that contains a notice that a product is selling with a guarantee for proper functioning, it is especially stated that a buyer may be introduced to conditions of the guarantee before shopping.

Refund

Article 59

An advertisement that contains words "satisfaction guaranteed", "refund guaranteed", "purchase with free trial" and similar phrases must contain also a notice under what terms and in what way a seller returns money for purchased products.

Article 60

An advertisement that contains a notice on guarantee must contain also a notice on the subject and validity of the guarantee.

It is illegal to use in an advertisement words such as "life-time guarantee" and similar phrases that mislead a recipient of the advertisement in terms of guarantee and its validity.

2. Advertising of drugs, medical instruments, doctors, and doctors' services

Article 61

Advertising drugs and medical instruments has a purpose to help their application in a way that features of a certain product will be shown truly, completely and without exaggeration, in a way and under terms proscribed by law that regulates trade of medicines.

Advertising of expert medical procedures, methods and procedures of traditional and alternative medicine in the media is done in accordance with the law regulating health protection.

Advertising name, company name, seat and founder of health facility, that is, other form of health service and working hours is done in accordance with law.

Results in application of expert medical procedures and methods of health protection may be announced only in professional and scientific gatherings and publications in accordance with the law regulating health protection.

3. Advertising of narcotics

Article 62

Advertising of narcotics and opiates is illegal.

4. Advertising of weapons

Article 63

It is illegal to advertise weapons, parts for weapons and ammunition in the media and other means of advertisement.

Weapons, parts for weapons and ammunition may be advertised only to professional public consisting of authorised producers and traders in weapons, and the state and its armed forces as authorised buyers.

It is permitted to advertise sports and hunting weapons, parts and ammunition for those weapons.

5. Advertising of tobacco products

Article 64

It is illegal to advertise tobacco and tobacco products, including showing any kind of stamp or other mark of a producer of those products in press, radio and television, through slides, films, panels, board, stickers, advertising media in streets, public places, public objects and transport means, through books, magazines and clothes and through stickers, posters and leaflets separated from the package of tobacco and tobacco products.

It is illegal to distribute free tobacco products to citizens as well as to offer promotional discount for tobacco products.

It is illegal to show a stamp or any other mark of a producer of tobacco and tobacco product in a way described under Paragraph 1 of this

Article and in the advertisement that does not recommend a producer of tobacco and tobacco product, including also the advertisement that recommends a sponsored activity.

Showing tobacco products in a sales outlet is not considered advertising in terms of Paragraph 1 of this Article as well as announcing notices on quality and other features of tobacco and tobacco products in a sales outlet, in professional books, magazines and other expert publications that are intended solely for producers or sellers of those products, as well as the use of a stamp or other mark of a producer of tobacco products in the means of business communication and representation of that producer.

Warning against health hazard caused by tobacco products

Article 65

Producers of tobacco and tobacco products are bound to mark the original package of those products in accordance with the law regulating production and trade in tobacco and tobacco products.

Ban on showing smoking and tobacco products in advertisements

Article 66

It is illegal to show smoking or imitation of smoking, tobacco products, their packaging and tobacco smoke in an advertisement.

Article 67

Restrictions and bans prescribed by this law for advertising tobacco products do not refer to an advertisement that recommends giving up smoking and combating smoking.

In the advertisement from Paragraph 1 of this Article, it is not permitted to use a stamp or other mark of a producer of tobacco products.

6. Advertising of alcoholic beverages

Article 68

It is illegal to advertise alcoholic beverages, except beer, including showing any kind of stamp or other mark of alcoholic beverage or a producer of those beverages in press, radio and television, through slides, films, panels, board, stickers, advertising media in streets, public places, public objects and transport means, through books, magazines and clothes and through stickers, posters and leaflets if they are separated from the package of alcoholic beverage products.

It is illegal to advertise beer and wine, including showing a stamp or other mark of beer and wine or a beer and wine producer:

- 1) in specialised radio and television programmes for minors;
- 2) in other television and radio programmes, except in the period from 18:00 to 06:00 hours;
- 3) in and on the means of public transport;
- 4) in pre-school facilities, schools, health and other institutions intended for minors, as well as in open space up to 100 metres from a preschool facility, school, health and other institutions intended for minors;
- 5) in cinemas, theatres and other venues where screening and performing is done, for shows starting before 20:00 hours and for shows intended for minors;
- 6) in public parks and in public playgrounds;
- 7) in specialised radio and television programmes intended for drivers of motor vehicles.

It is illegal to show a stamp or other mark of alcoholic beverage and a producer of alcoholic beverages, except wine and beer in a way from Paragraph 1 of this Article, in an advertisement that does not recommend a producer of alcoholic beverage, including an advertisement that recommends a sponsored activity.

Showing alcoholic beverages in a sales outlet and is not considered advertising in terms of Paragraph 1 of this Article as well as announcing notices on quality and other features of alcoholic beverages in a sales outlet, on exhibition stands, in professional books, magazines and other expert publications that are intended solely for producers or sellers of those products, as well as the use of a stamp or other mark of an alcoholic beverage and a producer of alcoholic beverages in the means of business communication and representation of that producer.

Ban on showing consummation of alcoholic beverages

Article 69

It is illegal to show consummation or imitate consummation of alcoholic beverage in an advertisement.

Advertising giving up drinking and combating alcoholism

Article 70

The provisions of this law on advertising alcoholic beverages do not refer to an advertisement that recommends giving up drinking alcoholic beverages and combating alcoholism.

In an advertisement from Paragraph 1 of this Article, it is illegal to use a stamp or other mark of an alcoholic beverage or a producer of those beverages.

7. Advertising of lawyers and lawyers' services

Article 71

Advertising lawyers and lawyers' services is done under conditions and in a way determined by the Lawyers' Professional Ethics Code.

V. ADVERTISING INTENDED FOR MINORS

Article 72

The advertisement intended for minors is a notice that recommends a product or a service, which by its type, nature, form, quality and other features is used exclusively or mostly by minors independently or with parents' help.

1. Ban on abuse of inexperience, ignorance and ingenuousness of minors

Article 73

An advertisement intended for minors may not abuse lack of experience or knowledge of minors and their ingenuousness, especially through preventing or impeding them to make a difference between fantasy and reality.

Article 74

An advertisement intended for minors must not contain inaccurate data on the advertised product or service, especially in terms of the actual size, value, nature, durability, speed, colour and other features.

Article 75

If an advertisement shows result of drawing, making, assembling and modeling, ability for achieving this result has to suit average ability of minors to whom the advertisement refers.

The advertisement from Paragraph 1 of this Article must state the age of a minor for whom the advertisement is intended.

Article 76

The advertisement intended for minors may not contain in addition to price also a judgment on the price, especially the words "only", "penny worth", "very cheap", "bargain" etc.

Article 77

The advertisement intended for minors may not recommend a product or a service that is not intended for those persons.

Article 78

The advertisement intended for minors may not recommend drugs and medical instruments, including vitamins, except toothpaste.

2. Protection of health, development and integrity of minors

Article 79

It is illegal to advertise milk, other food and drink for the newborns, as well as kits for their use.

Advertising which encourages behaviour that jeopardises health, mental and moral development of minors is illegal.

The advertisement intended for minors may not contain information that would lead that person to behave in way that could harm his physical, mental, emotional or other integrity.

Article 80

The advertisement intended for minors may not contain view of a minor in a perilous situation such as climbing unsecured objects; entering unknown premises; talking to strangers; using matches, lighter, gasoline, medications and electric house appliances.

Ban from Paragraph 1 of this Article does not refer to an advertisement that contains warning on danger for health and safety of a minor, that is, his integrity.

Article 81

The advertisement intended for minors may not contain view of violence, including violent scenes between animated characters, puppets etc.

3. Manipulating the advantages

Article 82

The advertisement intended for minors may not contain messages that suggest that by use of products or services one could gain physical, intellectual or other social advantages over other minors who do not use those products or services.

4. Protecting the authority of family and school

Article 83

The advertisement intended for minors may not contain a notice that damages reputation or authority of parents, siblings and other family members.

Ban from Paragraph 1 of this Article refers also to damaging of the reputation of pre-school and school institutions.

5. Ban on abusing the trust of minors

Article 84

The advertisement intended for minors must not contain notices that abuse trust of a minor in other persons, especially in parents, siblings and other family members, tutors, teachers and doctors.

6. Advertising in children institutions

Article 85

It is illegal to advertise in schools, pre-school or other institution intended for minors, unless the advertisement serves to protect common interest of a minor and if it does favour certain producer or service provider.

VI. ADVERTISING STATE BODIES AND ORGANISATIONS, POLITICAL ORGANISATIONS AND OTHER BODIES AND ORGANISATIONS

1. State bodies and organisations and other bodies and organisations

Article 86

State bodies and organisations, bodies of territorial autonomy and local self-government, public services and public companies, make notification of their activities available to public according to the law.

State bodies and organisations, bodies of territorial autonomy and local self-government may advertise activities and measures that are of importance for the citizens, for most citizens, or for a minority social group, especially:

- 1) elections, that is, referendum, if an advertisement recommends turn out in elections, that is, in referendum;
- 2) measures for behaviour of citizens in case of common danger, such as flood, fire, earthquake, epidemic, terrorist attack etc.;
- 3) a humanitarian action, that is, action for protection and improvement of health, as well as an appeal for help to directly endangered persons;
- 4) an open competition and call for enrolment of pupils and students;
- 5) economic activities such as purchase of commodity reserves, purchase of wheat, if an advertisement contains a call for participation in those activities.

In the advertisement from Paragraph 2 of this Article one may not use the name, face, voice or personal feature of a state official, that is, an official of the state body or organisation, bodies of territorial autonomy and local self-government.

The advertisement from Paragraph 2 of this Article may not directly or indirectly advertise a political or other organisation that was founded by a state body, political party or a politician.

If advertising from Paragraph 2 of this Article is performed without compensation, duration time of that advertising does not count into the duration time of TV advertising and TV sale from Article 15 Par. 1 and 2 and Article 16 Par. 1 and 2 of this law.

2. Advertising political organisations and advertising on a voting place

Article 87

Advertising of political organisations and advertising in a voting place is performed in a manner and under the conditions prescribed by the law that regulates election of members of parliament, especially the conditions referring to presentation of the leader of the list of candidates and candidates from those lists, rights of citizens to be informed through media

on the election programmes and activities of the leader of the list of candidates and candidates from those lists, duty of the media and the bodies responsible for conduction of the elections, as well as the bodies for supervising the actions of the political parties, candidates and the media.

VII. SPONSORSHIP AND ADVERTISING

Article 88

Sponsorship in the sense of this law is an agreed-upon providing of financial or other support to a legal entity or a physical person or its activities that are not related to the activity of the sponsor, for the purpose of advertising the sponsor's name, that is, title, sign, its trade or service mark or image.

The provisions of this advertising law therefore apply to sponsorship, unless otherwise stated by this law.

1. Ban on sponsorship by a producer of tobacco products and alcoholic beverages

Article 89

A producer of tobacco products may not sponsor the media, athletes, sports clubs, sports competitions, competitions, including sponsorship of individuals, that is, participants of those events.

A producer of tobacco products or alcoholic beverages may not sponsor minors, their activities, as well as persons and activities whose audience mainly consists of minors.

A producer of alcoholic beverages, except beer, may not sponsor sportsmen, sports clubs and sports competitions.

2. Ban on misleading

Article 90

Sponsorship must be clearly marked and may not mislead with copying of other sponsor, his activity or in some other way, the recipient of the advertisement in terms of the identity of the sponsors, features of their products, their influence and potential health hazard.

If there is a potential health hazard, in the advertisement, promotion or sponsorship there must be a clearly stated warning on the existence of such hazard.

3. Independence

Article 91

A sponsor may not limit creative freedom of a sponsored person, his right to independent management, goal setting and contents of the sponsored activity.

A contract concluded contrary to Paragraph 1 of this Article is void.

Article 92

A sponsor may not jeopardise the integrity of art, sports or cultural contents of the sponsored activity and may not hurt the reputation of the sponsored person by sponsoring.

A sponsored person may not with the sponsored activity change the name, that is, title of the sponsor, his trade or service mark, nor may in other manner harm the reputation or image of the sponsor.

4. Multiple sponsorship

Article 93

If the sponsored person has more sponsors, he is bound to ensure representation of interests of each sponsor, proportionate to his share in the sponsorship.

The sponsored person is bound to notify all potential sponsors on the sponsors with whom he already has a contractual relation.

The sponsored person may not conclude new sponsorship contract without consent of the sponsors with whom he already has a contractual relation.

5. TV sponsorship

Article 94

TV sponsorship in the sense of this law is direct or indirect financing of TV programme by a person who does not deal with broadcasting activity or production of audio-visual works, with an aim to advertise his name, that is, title, trade or service mark or image in TV programmes.

Sponsored TV programmes may not directly advertise sale,

purchase or rent of products and services of the sponsor or a third person, especially by specific directing at those products and services in those programmes.

State bodies and organisations and political organisations may not be sponsors of TV programme.

Physical persons and legal entities, who deal with production or sale of products or rendering of services the advertising of which is illegal according to this law, may not sponsor TV programmes.

Article 95

A show that is entirely or partially sponsored must contain notification on the sponsor at the beginning, in the middle, and at the end of the show.

In sports and cultural and art shows information on the sponsor are broadcasted at the beginning and at the end of envisaged breaks.

Article 96

A sponsor may not influence the contents and broadcasting time of the programme he sponsors, as well as the matters of editorial concept of the broadcaster.

It is illegal to sponsor news programmes, except sports news and weather forecast.

6. Sponsorship on the radio

Article 97

To sponsorship on the radio therefore apply the provisions of this law on sponsorship on television, that is, on advertising, unless this law states otherwise.

The ban from the Article 95 Par. 4 of this law does not apply to the sponsorship on the radio, unless this law states otherwise.

Article 98

Legal and physical persons who in accordance with special regulations deal with production or sale of drugs or providing medical treatments, may sponsor a radio programme by advertising their name, that is, title, trade or service mark, image or their activity, except advertising medicines that can be procured only with medical prescription.

VIII. PROTECTION OF THE RECIPIENT OF ADVERTISEMENTS

1. Preserving the advertisement and information on the advertisement

Article 99

An advertiser is bound to preserve the advertisement in a form that allows the possibility of insight into that advertisement, information on the place, time and frequency of advertising, as well as the declaration for the advertisement, maximum thirty days since the day of the last broadcasting of the advertisement.

The advertiser is bound on the request of the interested person, at the latest three days since receiving the request, to enable an insight into the advertisement, records and declaration from Paragraph 2 of this Article.

The interested person from Paragraph 2 of this Article is a person whose right or interest is jeopardised or hurt by the advertisement.

2. Court protection

Charges

Article 100

A person whose right, that is, interest, has been jeopardised or harmed by an advertisement is entitled to protection, which he obtains through a lawsuit before the responsible court.

For the damage caused with the advertisement the advertiser and producer of the advertisement answer jointly.

A person who broadcasts the advertisement answers jointly for the damage caused by the advertisement, if he did not request or obtain a regularly filled out declaration according to the Article 11 of this law, that is, if he was aware or according to the circumstances of the case had to be aware that broadcasting of such advertisement might cause damage.

Temporary measure

Article 101

A person whose right or interest might be violated may suggest for the court to bring a temporary measure, according to the law that regulates the execution.

Article 102

Consumer protection organisations, professional associations,

as well as chambers of commerce also have the right to initiate the procedure from Articles 101 and 102 of this law.

IX. SUPERVISION

Article 103

The ministry in charge of affairs of trade, tourism and services performs supervision over enforcement of this law, unless the law states otherwise.

The ministry in charge of affairs of health performs supervision over enforcement of the provisions of this law that regulate advertising of medicines and medical means, doctors and doctors' services.

A body of the local self-government unit, that is, a city, in charge of utility affairs performs supervision over enforcement of the provisions of this law on placing advertising means on public surfaces.

An independent organisation founded in the field of broadcasting performs supervision over enforcement of the provisions of this law that regulate advertising via television and radio programmes and brings, in accordance with this law and the law that regulates broadcasting, more detailed rules on advertising and sponsorship on television and radio.

Article 104

The ministry in charge of affairs of trade, tourism and services performs inspection supervision through market and tourist inspectors.

The ministry in charge of affairs of health performs inspection supervision through health and sanitary inspectors according to this law, the law that regulates trade in medicines and health protection and other law that regulates responsibility of those inspectors.

A body of the local self-government unit, that is, a city, in charge of utility affairs performs inspection supervision through communal inspectors.

Article 105

In performing inspection supervision an inspector has all the rights, duties and authorities determined by this law and by the law that regulates action of inspection supervision of the responsible inspection body.

Article 106

In performing supervision, the responsible body, that is, the responsible inspector shall ban advertising or performing of other activities when they commence or are done under conditions or in an illegal manner or is in other way contrary to the provisions of this law.

The decision from Paragraph 1 of this Article determines deadline and manner of eliminating irregularities if said may be eliminated, that is, deadline and manner of eliminating detrimental consequences caused by performance of the activity forbidden by the decision, as well as removal of advertising means from public surface or means of public transport if they advertise those products.

The deadline from Paragraph 2 of this Article for eliminating irregularities may not be longer than 15 days since the day of handing-in of the decision, and the deadline for eliminating detrimental consequences may not be longer than 30 days since the day of handing-in of the decision from paragraph 1 of this Article.

The ban pronounced in a manner from Paragraph 1 and 2 of this Article lasts until ascertained irregularities are removed, that is, until detrimental consequences are removed.

The decision from Paragraph 1 of this Article is enacted within 48 hours since the day of completion of the inspection supervision procedure. Against this decision, an appeal may be lodged with a responsible second-degree body within three days since the day of its delivery.

The appeal from Paragraph 5 of this Article does not postpone the execution of the decision.

X. PENAL PROVISIONS

1. Economic offences

Article 107

A company or other legal entity shall be fined for an economic offence with 300.000 to 3.000.000 dinars if:

1) an advertisement recommends an advertiser, his activity, product, services or other recommendation contrary to the condition from Article 12 of this law;

- 2) he performs advertising within the activity that may not be performed without issued consent, permit or other act of a state body, and that consent, permit or other act of a state body has not been issued (Article 13);
- 3) he performs advertising where an advertisement untruly marks or marks in a manner that misleads in terms of the producer, that is, provider of services, price, manner of sale, delivery and payment of the price, origin, quality, quantity, durability, guarantee conditions, service options, official acknowledgements or other feature (Article 49 Paragraph 1 and 2);
- 4) marks a product or a service in an advertisement with a title which by its contents, quality, quantity, expiry date or other feature does not suit it (Article 49 Paragraph 3);
- 5) by advertising misleads a recipient in terms of product price by advertising sale, apparent discount of the price of product or service, as well as by advertising untrue amount of discount or other benefits (Article 51 Paragraph 1);
- 6) in advertising upcoming or already initiated sale, does not mark or untruly marks time of its duration, as well as type of product to which the sale refers or type of services to which the discount refers (Article 51 Paragraph 2);
- 7) in advertising product or a service at prices preferential for certain categories of persons, for specific area or time period, does not mark or untruly marks the category of persons to which the preferential price refers, that is, area and time period for which the favourable price is valid (Article 51 Paragraph 3);
- 8) promises a gift in an advertisement by using the words: "free", "pay for one, get two", "two for one" and the like, while offering a product or a service at higher price than the current price of the provider for that product or service (Article 52 Paragraph 1);
- 9) with an advertisement misleads a buyer of a product, or a user of a service on the real value of the product or service by promising a gift (Article 52 Paragraph 2);
- 10) in advertising product or a service, he promises to a buyer of product or a user of service profit or benefit the value of which is much higher than the usual value of a gift (Article 52 Paragraph 3);
- 11) advertises weapons, parts for weapons and ammunition contrary to the provision of Article 63 Paragraph 1 of this law;
- 12) contrary to the ban from Article 64 Paragraph 1 of this law advertises of tobacco and tobacco products;
- 13) contrary to the ban from Article 64 items 2 and 3 of this law distributes free tobacco products to citizens, gives promotional discount for tobacco products or marks a stamp or other insignia of a producer of tobacco and tobacco product in the advertisement that does not recommend the producer of tobacco and tobacco product, including the advertisement that recommends a sponsored activity;
- 14) in an advertisement shows smoking or imitation of smoking, tobacco products, their packaging and tobacco smoke (Article 66);
- 15) in the advertisement that recommends quitting and combating smoking uses a stamp or other insignia of a producer of tobacco products (Article 67 Paragraph 2);
- 16) contrary to the ban from Article 68 Paragraph 1 of this law advertises alcoholic beverages, except beer and wine, including showing a stamp or other insignia of alcoholic beverages or a producer of such beverages;
- 17) advertising beer and wine is performed contrary to the provision from Article 68 Paragraph 2 of this law or shows a stamp and other insignia of the producer of such product, or contrary to the ban from Article 68 Paragraph 3 of this law shows a stamp or other insignia of an alcoholic beverage and producer of alcoholic beverages, except wine and beer, in the advertisement that does not recommend a producer of alcoholic beverages, including the advertisement that recommends a sponsored activity;
- 18) in an advertisement shows consummation or imitation of consummation of alcoholic beverages (Article 69);
- 19) in an advertisement that recommends breaking the addiction to consummation of alcoholic beverages and combating alcoholism uses a stamp or other insignia of alcoholic beverages or a producer of such beverages (Article 70 Paragraph 2);

20) advertises lawyers and lawyers' services contrary to the rules established by the Lawyers' Professional Ethic Code (Article 71);

For economic violation from Paragraph 1 of this Article, a responsible person in a company or other legal entity shall be fined with the amount from 50.000 to 200.000 dinars.

In addition to the fine for economic violation from Paragraph 1 of this Article a protective measure of banning performance of a certain economic activity may be pronounced to a legal entity in duration from one to five years, that is, a protective measure of banning performance of certain duties to a responsible person in duration from one to five years and protective measure of public annunciation of the verdict.

2. Infractions

Article 108

A legal entity shall be fined for an infraction with the amount from 100.000 to 1.000.000 dinars if:

- 1) he does not abide by the principles of advertising acting contrary to the provisions of Articles 3 – 10 of this law;
- 2) with the advertisement does not submit a declaration containing information from Article 11 Par. 1 and 3, that is, if he publishes or broadcasts an advertisement contrary to provisions of Article 11 Paragraph 2 of this law;
- 3) does not abide to duration time or time of broadcasting of TV advertising and TV sale in programmes of commercial television stations, that is, in programmes of public broadcasting service or if TV sale show does not mark clearly both visually and by sound as TV sale (Art. 15 and 16);
- 4) broadcasts advertisements and TV sale messages contrary to provisions of Article 17 of this law;
- 5) broadcasts advertisements during sports broadcasts via public broadcasting service contrary to the provisions of Article 18 of this law;
- 6) broadcasts blocks of advertisements and TV sale messages contrary to the provisions of Article 19 of this law;
- 7) sells services of TV advertising and TV sales in programmes of institutions of the public broadcasting service contrary to the provisions of Articles 20 Par. 1 – 5 of this law, that is, if he mediates, represents or takes over the role of an advertiser for account and on behalf of a third party contrary to the provision of Article 20 Paragraph 6 of this law;
- 8) by advertising in open space does not ensure safety of pedestrians, motor vehicles and other participants in traffic, protection of cultural and historical monuments and property of common interest and preservation and improvement of the outlook of the city, that is, a settlement (Article 24);
- 9) sets an advertising panel, poster, that is, advertising means in public surface contrary to the provisions of Art. 25 and 26 of this law, including setting other advertising means in open space, such as pillars, balloons, standings of public transport, screens, electronic displays, illuminating letters etc;
- 10) sets a poster in a non-public surface without the consent of the owner (Article 27), or sets a board or carrier of the advertisement for health institution contrary to the provision of Article 28 of this law;
- 11) marks untruly the identity of the advertiser, his activity, product or service (Article 30 item 1);
- 12) by omitting important information, use of vague or ambiguous expressions, old and outdated citations or other information causes misapprehension on the identity of the advertiser, his activity, product or service and other recommendations addressed to the recipient of the advertisement (Article 30 item 2);
- 13) presents by advertising an imitation or a copy of other person, his activity, product or service or by advertising disparages, suspects or in other inappropriate manner shows identity of other person, his activity, product or service (Article 30 items 3) and 4));
- 14) performs comparison of the advertiser, his activity, product or service with other advertiser, his activity, product or service to the detriment of the other, that is, for gaining material benefit (Article 30 item 5));
- 15) advertises by alluding to the other, his business name, title,

protected stamp, activity, product or service, exploits the reputation of the other person in a manner that misleads recipients of the advertisement (Article 30 item 6));

16) conceals with advertising important shortcomings, dangerous or detrimental features of the product, service or other contents recommended to the recipient of the advertisement (Article 31);

17) compares untruly an advertiser, his activity, product or service with activities, products or services of the competitor or creates misapprehension in the market between the advertiser and the competitor (Article 32 Paragraph 1);

18) compares an advertiser, his activity, product, service or price with other advertiser, his activity, product, service or price if those activities, products or services are of different type or have different goal or purpose (Article 32 Paragraph 2);

19) advertises a product or a service as imitations or true copies of products and services that have protected trade, that is, service mark or trade name or uses the advantage of the protected mark or other insignia by which the competitor is recognised (Article 32 Paragraph 3);

20) exploits by advertising the reputation or advertisements of other person, without his consent (Article 33);

21) with advertising calls for boycott of the other person, interruption or prevention of establishing relation with the other person (Article 34);

22) an advertisement contains symbols the use of which is against regulations, business practice or morale or uses a trade mark, stamp, business name, trade name, mark of origin or other mark, by which competitor is recognised or contrary to the law uses a flag, national anthem or coat of arms in advertising (Article 35);

23) contrary to the ban from Article 36 Paragraph 1 of this law advertises a pornographic content or performs advertising contrary to the provisions of Article 36 Par. 2 – 4;

24) in advertising unjustifiably shows the use of force or threat to the use of force (Article 37);

25) performs advertising that unjustifiably shows a person in dominant position in relation to the person of the opposite sex, especially by representing typical forms of authority or other relations of dominance of one person in relation of the person of the opposite sex (Article 38);

26) in an advertisement shows sexual harassment as acceptable, desirable or common social behaviour (Article 39);

27) brings minors under age of 16 in an advertisement in connection to sexuality (Article 40 Paragraph 1);

28) shows men and women in an advertisement as boys and girls with sexual characteristics of adults (Article 40 Paragraph 2);

29) with advertising unjustifiably exploits concern of people for protection of health or environment, as well as their lack of knowledge on the ways and means for environment protection (Article 41);

30) performs advertising that encourages or approves action banned by the regulations on environment protection (Article 42);

31) an advertisement contains untrue claims that a product or a service have positive or negative effect on protection of health or environment, especially by using expressions such as “ecologically safe”, “eco food”, “healthy food” and similar words or symbols that have the same meaning (Article 43);

32) an advertisement contains personal property from Article 44 of this law without previous consent of the person to whom the personal property refers, that is, the person from Article 44 Par. 2 and 3 of this law if on the basis of the advertisement one may ascertain or recognise to which person the personal property refers;

33) personal property of public persons is used contrary to the provisions of Article 48 of this law;

34) in an advertisement compares the previous and the current prices for the same product or service of the same provider if the previous price was determined as a fictive price, if the previous price is much higher than market price; if a product or a service in negligibly short period was offered in the market at previous price or has never been offered at that price or if the difference between the previous and current price is negligible

(Article 53);

35) shows untruly the price of product or a service to which the price that is recommended in the advertisement is compared (Article 54);

36) compares in an advertisement the provider's price of the product to the suggested price of a producer or a wholesale trader, if the suggested price is much higher than the market (Article 55);

37) compares in an advertisement prices of products or services of different quality, that is, prices of products with and without a flaw, without stating that the lower price is conditioned by lower quality, that is, the flaw (Article 56);

38) the advertisement, which refers to a telephone number for which a special tariff applies, does not contain the cost of that tariff during entire duration of the advertisement (Article 57);

39) the advertisement intended for minors abuses lack of experience or knowledge of the minors and their ingenuousness, especially by preventing and impeding them to make a difference between reality and imagination (Article 73);

40) the advertisement intended for minors contains untrue information on the advertised product or service, especially in terms of actual size, nature, durability, speed, colour and other features (Article 74);

41) the advertisement shows the result of drawing, making, assembling and modelling, and capability for achieving that result does not correspond to the average capability of minors for whom the advertisement is intended or if that advertisement does not state the age of minors for whom the advertisement is intended (Article 75);

42) the advertisement intended for minors, with the information on the price, contains also valuable judgement on the price, especially words such as "only", "penny-worth", "very cheap", "bargain" and the like (Article 76);

43) the advertisement intended for minors recommends a product or a service that is not intended for minors (Article 77);

44) the advertisement intended for minors recommends drugs and medical means, including vitamins, except children's toothpaste (Article 78);

45) advertises milk, other food and drink for the newborns and infants, as well as the kit for their use (Article 79 Paragraph 1);

46) performs advertising that encourages behaviour which jeopardises health, mental and moral development of the minors, or the advertisement contains information that would lead that person to behaviour that could harm his physical, mental, emotional or other (Article 79 Par. 2 and 3);

47) the advertisement intended for minors shows a minor in a perilous situation, such as: climbing unsecured objects; entering unknown facilities, talking to strangers; using matches, lighter, gasoline, drugs or electric household appliances, unless the advertisement contains a warning against danger to health and safety of a minor, that is, his integrity (Article 80);

48) the advertisement intended for minors contains showing of violence including scenes of violence between animated characters, puppets and the like (Article 81);

49) the advertisement intended for minors contains information that suggest that by using the products or service they would gain physical, intellectual or other social advantages over other minors who do not use those products or services (Article 82);

50) the advertisement intended for minors contains a notice that with the minor harms the reputation or authority of parents, siblings or other family members or with the advertisement intended for minors harms reputation of pre-school and school institutions (Article 83);

51) the advertisement intended for minors contains notices which abuse the trust of a minor towards other persons, especially to parents, siblings and other family members, tutors, teachers and doctors (Article 84);

52) advertises in school, pre-school institution or other institution intended for minors, unless the advertisement serves the protection of common interest and interest of the minor and if it does not recommend a certain producer of product or provider of service (Article 85);

53) sponsors media, sportsmen, sports clubs, sports competitions, competitions, including sponsoring of individuals or participant in those events, that is, sponsors minors, their activities, as well as the persons or activities whose audience mainly consists of minors, contrary to the ban from Article 89 of this law;

54) fails to mark clearly the sponsorship or if by imitating other sponsor, his activity or in other manner leads a recipient of the advertisement to misapprehension in terms of the identity of the sponsor, a sponsored person or activity, activity of the sponsor, features of his product, his effect and potential health hazard or if in the advertisement, promotion and sponsorship does not state a clear warning on presence of potential health hazard (Article 91);

55) with sponsorship limits creative freedom of the sponsored person, his rights to self-management, setting the goal and content of the sponsored activity (Article 92);

56) with sponsorship jeopardises integrity of art, sports or cultural content of the sponsored activity, that is, harms the reputation of the sponsored person (Article 93 Paragraph 1);

57) with the sponsored activity changes the title, that is, the name of the sponsor, his trade or service mark, that is, in other manner jeopardises the reputation or image of the sponsor (Article 93 Paragraph 2);

58) fails to ensure representation of interest of each sponsor, that is, does not act in accordance with the provisions of Article 94 of this law;

59) performs TV sponsorship contrary to the provisions of Article 95 Par. 2 and 4 of this law;

60) fails to mark a sponsored show by stating the sponsor at the beginning, during and at the end of the show, that is, if in sports and cultural art shows fails to announce information on the sponsor at the beginning and end of envisaged breaks (Article 96);

61) by sponsoring a show influences the content and time of broadcasting of the programme he sponsored, as well as matters of editorial concept of the broadcaster or sponsors news programmes except sports news and weather forecast contrary to the provisions of Article 97 of this law, that is, if he sponsors a radio programme contrary to the ban from Article 99 of this law;

62) fails to preserve the broadcasted advertisement in a form that allows insight into that advertisement, information on place, time and frequency of broadcasting, as well as the declaration for the advertisement within the deadline from Article 100 Paragraph 2 of this law.

For actions from Paragraph 1 of this Article a responsible person in a legal entity shall be fined with the amount from 20.000 to 50.000 dinars.

For actions from Paragraph 1 of this Article an entrepreneur shall be fined with the amount from 100.000 to 500.000 dinars, that is, a physical person will be fined with the amount from 20.000 to 50.000 dinars.

In addition to the fine from Paragraph 1 of this Article it may be pronounced a protective measure of banning performance of certain activities to a legal person in duration from six months to one year, a protective measure of banning performance of certain activities to a responsible person in duration from six months to one year.

In addition to the fine for infraction from Paragraph 3 of this Article it may be pronounced a protective measure of banning performance of certain activities to an entrepreneur in duration from six months to one year.

Article 109

An entrepreneur shall be fined with the amount from 100.000 to 500.000 dinars for infraction if:

- 1) the advertisement recommends the advertiser, his activity, product, service or other recommendation contrary to the condition from Article 12 of this law;
- 2) performs advertising within the activity that may not be performed without issued consent, permit or other act of a state body, and that consent, permit or other act of a state body has not been issued (Article 13);
- 3) performs advertising where an advertisement marks untruly

or marks in a manner that creates misapprehension in terms of a producer, that is, provider of service, price, manner of sale, delivery and payment of price, origin, quality, quantity, expiration date, terms of guarantee, service options, official acknowledgements or other features (Article 49 Paragraph 1);

4) marks a product or a service in an advertisement with a title that by its components, quality, quantity, expiration date or other feature does not belong to it (Article 49, Paragraph 3);

5) by advertising leads a recipient of the advertisement to misapprehension in terms of the price of the product by advertising sale, apparent discount in price of product or service, as well as by advertising untrue amount of discount price or other (Article 51 Paragraph 1);

6) in advertising upcoming or already initiated sale, fails to mark or marks untruly its duration time, as well as type of products to which the sale refers or type of service to which the discount applies (Article 51 Paragraph 2);

7) in advertising a product or a service at prices preferential/reduced for certain categories of persons, for certain area or period of time, fails to mark or marks untruly the category of persons to which the preferential price refers, that is, the area and the time period for which the preferential price is valid (Article 51 Paragraph 3);

8) promises a gift in an advertisement by using words such as: "free", "pay for one, take two", "two for one" and the like, and offers the product or service at higher price than the current price of the provider for that product or service (Article 52, Paragraph 1);

9) with the advertisement leads the buyer of the product, that is, a user of service to misapprehension on the true value of the product or service by promising a gift (Article 52, Paragraph 2);

10) in advertising a product or service, promises to a buyer of product or user of service profit or benefit the value of which is much higher than the usual value of the gift (Article 52, Paragraph 3);

11) advertises weapons, part for weapons and ammunition contrary to the provision of Article 63 Paragraph 1 of this law;

12) contrary to the ban from Article 64 Paragraph 1 of this law advertises tobacco and tobacco products;

13) contrary to the ban from Article 64 Par. 2 and 3 of this law performs distribution of free tobacco products to citizens, gives promotional discount for tobacco products or points out a stamp or other insignia of the producer of tobacco and tobacco products in the advertisement that does not recommend the producer of tobacco and tobacco products, including an advertisement that recommends a sponsored activity;

14) in an advertisement shows smoking or imitation of smoking, tobacco products, their packaging and tobacco smoke (Article 66);

15) in an advertisement that recommends quitting, breaking a habit of and combating smoking uses a stamp or other insignia of the producer of tobacco products (Article 67 Paragraph 2);

16) contrary to the ban from Article 68 Paragraph 1 of this law performs advertising of alcoholic beverages, except beer and wine, including every stating of the stamp or other insignia of an alcoholic beverage or producer of those beverages;

17) performs advertising of beer and wine contrary to the provision of Article 68 Paragraph 2 of this law, or points out a stamp or other insignia of alcoholic beverage or the producer of alcoholic beverages contrary to the provision of Article 68 Paragraph 3 of this law, except wine and beer, in the advertisement that does not recommend the producer of alcoholic beverages, including an advertisement that recommends a sponsored activity;

18) In an advertisement shows consummation or imitation of consummation of alcoholic beverages (Article 69);

19) in an advertisement that recommends breaking the addiction to consummation of alcoholic beverages and combating alcoholism uses a stamp or other insignia of alcoholic beverages or the producer of those beverages (Article 70, Paragraph 2);

20) performs advertising of lawyers and lawyers' services contrary to the rules established by the Lawyers' Professional Ethics Code

(Article 71);

In addition to the fine for infraction from Paragraph 1 of this Article a protective measure of banning performance of certain activities may be pronounced to an entrepreneur in duration from six months to one year.

For actions from Paragraph 1 of this Article a physical person shall be fined with the amount from 20.000 to 50.000 dinars.

XII. TRANSITIONAL AND FINAL PROVISIONS

Article 110

On the date this Law goes into effect, the validity of the following provisions shall expire:

- Art. 17 and 18 and Article 39 Paragraph 1 items 3) and 4) of the Law on Health Safety Requirements of Foodstuff and General Consumption Items ("Official Gazette SFRY", No. 53/91 and "Official Gazette FRY", Nos. 24/94, 28/96 and 37/02);
- Art. 104 – 105, Art. 107-112. and Article 113 Paragraph 1. items 16) - 18) and items 20)-26) of the Broadcasting Law ("Official Journal RS", Nos. 42/02, 97/04 and 76/05).

Article 111

This Law becomes effective on the eighth day after its publication in the Official Journal of the Republic of Serbia, and is to be enforced upon EXPIRATION OF A THREE-MONTH PERIOD SINCE THE DAY IT BECOMES EFFECTIVE.

5.23 ANNEX – DENMARK – BROADCASTING ACT

Promulgation of the Radio and Television Broadcasting Act Consolidated Act no. 338 of 11/04/2007 (In force)

[Subsequent amendments to the regulation](#)

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[The full text of the regulation](#)

Promulgation of the Radio and Television Broadcasting Act

The Radio and Television Broadcasting Act, cf. Consolidated Act no. 410 of 2 May 2006, as amended by Act no. 1569 of 20 December 2006 is hereby promulgated.

Chapter 1

Provision of programme services

1. The following enterprises shall have the right to provide programme services as stated in Section 2:

1) DR, cf. Chapter 4.

2) The regional TV 2 stations, cf. Chapter 6.

3) TV 2/DANMARK A/S, on the condition that the company has a licence to provide public service programme activities pursuant to Chapter 6 a.

4) Enterprises having been licensed under Chapter 8 to provide programme services or which can, under Section 47, provide programme services without a licence.

(2) The Minister for Culture may in special cases authorise that enterprises other than those stated in subsection (1) may provide programme services in larger traffic installations on safety grounds.

The Minister for Culture may lay down detailed rules for such programme services.

(3) Programme services shall be provided in accordance with the Act and any provisions laid down pursuant to the Act, as well as any terms on which the programme licence is granted.

2. Provision of programme services shall be taken to mean

1) broadcasting of sound and television programmes to the general public by means of radio equipment and

2) distribution through communal aerial installations of sound and television programmes which are not also broadcast as mentioned in item 1.

(2) Within the meaning of this Act, the term "communal aerial installation" shall mean communal aerial installations and other cable systems for the distribution of sound and television programmes to premises used for private residence.

Chapter 2

Distribution of sound and television programmes

Distribution of sound and television programmes by means of terrestrial digital television

broadcasting opportunities

3. Distribution of Danish and foreign sound and television programmes by means of terrestrial digital television broadcasting networks may only take place with a licence from the Radio and Television Board

(2) Licences shall be granted by the Radio and Television Board following tendering.

(3) The Minister for Culture may lay down rules for tender procedures under subsection (2), including terms for licences, etc. The Minister for Culture may also specify that the Radio and Television Board may lay down terms for the company, etc. in connection with the issuing of distribution licences under rules laid down by the Minister for Culture.

(4) Licences may, however, be granted to DR, TV 2/DANMARK A/S or any company owned exclusively by one of these enterprises or the enterprises in association as determined by the Minister for Culture.

(5) The Minister for Culture may lay down rules on deviation from subsection (2) in connection with trial services.

4. Provision of services under Section 3 may be subject to the payment of a concession fee.

(2) The minimum amount, calculation basis and payment due dates of the concession fee shall be specified in the tender documents.

(3) The Radio and Television Board may revoke a licence granted under Section 3, if the licensee

1) infringes the Act or any provisions laid down pursuant to the Act, where such infringement is gross or frequently repeated, or

2) disregards the terms upon which the licence is granted.

Distribution of sound and television programmes through communal aerial installations

5. Danish and foreign sound and television programmes received directly by way of aerial systems or by cable transmission may only be distributed in communal aerial installations unchanged and simultaneously with the actual broadcasting or transmission.

(2) Subtitling and similar, and time-lagging of programmes are allowed, provided that the radio or television enterprise concerned has consented thereto.

6. Owners of communal aerial installations shall ensure that the sound and television programmes broadcast by means of radio equipment by DR, TV 2/DANMARK A/S and the regional TV 2 stations, cf. Sections 12, 31 and 38 a, including the regional programmes intended for reception in the area concerned, are distributed via the installations. This also applies to programmes on the fourth FM radio channel, cf. Section 11 (3).

(2) The provision in subsection (1) does not apply to DR's children's and history channel.

(3) Digital programmes broadcast by DR and TV 2/DANMARK shall only be distributed if other digital programmes are distributed in the installation.

(4) The Minister for Culture may lay down rules concerning the extent to which programmes on the fifth FM radio channel, cf. Section 11 (5), shall be distributed via communal aerial installations.

(5) Should the installation distribute programmes in programme packages,

1) all such packages shall contain the programmes covered by subsections (1), (3) and (4), and

2) an option shall be provided solely to purchase a package that either only contains the programmes stated in subsections (1), (3) and (4), or that only contains these programmes and other programmes for which the price is so low that the price of these supplementary programmes only constitutes a fraction of the total price of the package.

7. The Minister for Science, Technology and Development may lay down regulations on access in communal aerial installations to use decoders that convert encrypted signals into television signals that can be immediately reproduced by television sets. The regulations may contain rules for:

1) Programme providers' access to use a common decoder system that is used in the communal aerial installation.

2) Programme providers' access to use their own decoder.

3) Programme providers' access to arrange settlement directly with the users.

4) Fees to cover the expenditure related to the administration of Section 7, including the provisions issued pursuant thereto.

8. The National IT and Telecom Agency shall supervise compliance with Section 6 and any

regulations issued pursuant to Section 7. The National IT and Telecom Agency may in conjunction with its supervision direct owners of communal aerial installations to comply with Section 6 and any regulations issued pursuant to Section 7. Decisions pertaining to Section 6 may not be brought before any other administrative authority.

(2) The Minister for Science, Technology and Development may not issue orders to the National IT and Telecom Agency concerning the exercising of its official authority in relation to concrete cases, concerning the consideration and determination of individual cases, concerning the Agency's issuing of administrative regulations in areas subject to the Agency's authority, or concerning the other supervisory activities of the Agency in order to ensure compliance with this Act and any administrative regulations issued pursuant thereto.

(3) The Minister for Science, Technology and Development may not grant exemptions from administrative regulations issued by the Minister pursuant to this Act.

9. Complaints against decisions by the National IT and Telecom Agency pursuant to Section 7 of this Act may be brought before the Telecommunications Consumer Board.

Chapter 3

Public service activities

10. The overall public service activities shall, via television, radio and the Internet or similar, provide the Danish population with a wide selection of programmes and services comprising news coverage, general information, education, art and entertainment. Quality, versatility and diversity must be aimed at in the range of programmes provided. In the planning of programmes freedom of information and of expression shall be a primary concern. Objectivity and impartiality must be sought in the information coverage. Programming shall ensure that the general public has access to important information on society and debate. Furthermore, particular emphasis shall be placed on Danish language and culture. Programming shall cover all genres in the production of art and culture and provide programmes that reflect the diversity of cultural interests in Danish society.

11. Public service programmes are provided by DR and the regional TV 2 stations pursuant to the rules in Chapters 4 and 6.

(2) TV 2/DANMARK A/S's programme services pursuant to the licence issued under the rules in Chapter 6 a are a part of the overall public service programme activities.

(3) Furthermore, the programme services on the fourth FM radio channel and the news coverage on the fifth FM radio channel, cf. subsections (4) and (5), form part of the general public service activities. Licences to provide such programme services shall be granted under the provisions of Chapter 8

(4) The fourth FM radio channel shall be a varied public service-oriented channel providing classical music, supplemented with the presentation of rhythmic music, jazz and Danish music, cultural programmes and programmes of social interest and debate, etc.

(5) Programming for the fifth FM radio channel shall include news programmes from the whole country. Programming may not be regionalised. A licence to provide such programmes may not be granted to DR.

(6) The public services of DR shall be financed through DR's share of licence fees and via income from other services, cf. Section 15 (2). The public services of the regional TV 2 stations shall be financed through the stations' share of licence fees and via income from other services, cf.

Section 35.

(7) TV 2/DANMARK A/S's public service programme activities are financed by TV 2/DANMARK A/S.

(8) The public service activities of the fourth and the fifth FM radio channel are financed by the licensees.

Section 11 a. Under rules laid down by the Minister for Culture, the Danish Film Institute may provide grants for the production of Danish television drama and television documentary programmes for broadcast by television enterprises other than DR, the regional TV 2 stations and non-commercial local TV stations, cf. Section 92 a.

Chapter 4

DR

DR's public service programmes

12. DR shall provide public service programmes to the general public in accordance with the principles stated in Section 10.

(2) DR's fulfilment of its public service obligations shall be specified in a public service contract between the Minister for Culture and DR.

(3) DR shall prepare an annual statement on its fulfilment of the public service contract.

13. Sponsored programmes may be included in the public service programmes according to the rules in Chapter 11.

Section 13 a. Programmes produced on the basis of a licence issued under the rules of Chapter 8 may be included in DR's public service programmes, cf. Section 11 (3-5).

Other activities of DR

14. DR may provide other programme services under the rules of Chapter 8.

(2) DR may provide other services, including telecom services, in connection with its programme services, in order to utilise the institution's technical equipment, special expertise, etc.

(3) DR may establish new companies or contribute capital to existing companies in order to carry out other activities, including programme services, or in order to cooperate on media-related activities with other enterprises.

(4) DR's provision of other services, cf. subsections (1)-(3), shall take place on competitive terms. The Minister for Culture may lay down detailed rules for the separate treatment in the accounts of public service activities and other activities.

(5) The Minister for Culture may lay down detailed rules for DR's other activities.

Organisation of DR, etc.

15. DR is an independent public institution.

(2) DR's activities shall be financed through DR's share of licence fees and via income from the sale of programmes and other services, subsidies, dividend, share of profits, etc. DR shall not receive advertising revenue from programme services and public service activities on the Internet. Apart from activities in association with DR's ensembles and entrance charges in connection with major events, DR may not demand payment from users for public services.

(3) DR may raise loans on ordinary market terms to finance its investments, provided that such borrowing does not exceed 4 per cent of revenue according to the most recent accounts. Further loans shall be subject to the approval of the Minister for Culture.

(4) The Minister for Culture may draw up statutes for DR.

16. DR shall be managed by a Board of 11 members, appointed by the Minister for Culture. Three members (including the Chairman) shall be nominated by the Minister for Culture, six members shall be nominated by the Folketing (the Danish Parliament), and the permanent staff of DR shall nominate two members and two deputies. The Minister for Culture shall appoint the Vice Chairman from among the members nominated by the Folketing.

(2) The Board shall together represent expertise in media, cultural, management and business affairs.

(3) Members of or candidates for the Folketing, the regional council or the European Parliament are not eligible to be members of the Board.

(4) Members of or candidates for municipal councils are not eligible to be members of the Board.

(5) The term of office shall be four years.

(6) In the event of the resignation of a member of the Board a new member shall be appointed for the remaining term of office.

17. The Board shall have the supreme executive authority over DR. The Board shall have overall programme responsibility and responsibility for the observance of the provisions laid down by this Act, and any provisions pursuant to the Act, for the activities of the institution. The Board shall draw up the general guidelines for the activities of DR.

(2) The Board shall appoint the Director General and other members of DR's general management.

(3) The Board also appoints the listeners' and viewers' editor after discussion with the Director General. The editor shall report to the Board about his or her activities.

(4) Decisions made by DR in matters pertaining to the activities of the institution may not be brought before any other administrative authority, although cf. Section 20 (2).

(5) Decisions made by DR in matters concerning ethics of journalism and right of reply may be brought before the Press Council, however, as laid down in Chapters 5-7 of the Editorial Responsibility Act.

18. The Director General shall hold day-to-day responsibility for the programme services and shall be in charge of the day-to-day administrative and financial management of DR. Staff not appointed by the Board, cf. Section 17 (2) and (3), shall be appointed by the Director General.

19. The Board shall draw up the budget for DR's activities for each year. The budget shall be submitted for their information to the Minister for Culture and the Folketing.

(2) The accounts of the institution shall be prepared by the Board and the general management and be audited by the Auditor General. The accounts covering the individual year, with the auditor's remarks, shall be submitted to the Minister for Culture for approval, and thereafter submitted to the Folketing for information.

20. Funds may be made available from the Treasury to cover expenses in connection with some of the activities of DR. The terms and conditions shall in such case be agreed between the Minister for Culture, the Board and the minister whose area of responsibility is affected by the relevant elements of such activities.

(2) By agreement, as provided in subsection (1), the provisions of Section 17 (4) and Section 18 may be departed from.

21. Following negotiations with the Minister for Finance, the Minister for Culture may provide a government guarantee to ensure fulfilment of the pension commitments of the Pension Fund for Civil Servants Employed by DR. The equivalent shall apply to DR's obligations to provide employees who are not members of any pension scheme with an ongoing lifelong supplement to the social pension.

Chapter 5

TV 2/DANMARK

22-30. (Repealed)

Chapter 6

The regional TV 2 stations

Public service activities of the regional TV 2 stations

31. The regional TV 2 stations shall provide public service programmes to the general public in their areas in accordance with the principles stated in Section 10.

(2) The regional TV 2 stations shall produce news and current affairs programmes. Other programmes shall primarily be provided via purchases from other producers.

(3) The programming of the regional TV 2 stations shall emphasise regional affiliation.

(4) The regional TV 2 stations' fulfilment of their public service obligations shall be specified in public service contracts between the Minister for Culture and the individual stations.

(5) The individual regional TV 2 stations shall prepare annual statements on their fulfilment of the public service contracts.

32. Sponsored programmes may be included in the public service programmes according to the rules in Chapter 11.

Other activities of the regional TV 2 stations

33. The regional TV 2 stations may not provide other programme services.

(2) The regional TV 2 stations may provide other services, including telecom services, in connection with their programme services, in order to utilise free capacity with regard to technical equipment, staff, premises, etc.

(3) The regional TV 2 stations may have financial or managerial involvement in companies in order to cooperate with other enterprises that are independent of the regional TV 2 stations to conduct Internet-based information activities about each individual regional area. A regional TV 2 station may not achieve a controlling influence through its participation in such companies.

(4) The regional TV 2 stations' provision of other services shall take place on competitive terms.

The Minister for Culture may lay down detailed rules for the separate treatment in the accounts of public service activities and other activities.

(5) The Minister for Culture may lay down detailed rules for the regional TV 2 stations' other activities.

Organisation of the regional TV 2 stations, etc.

34. The eight regional TV 2 stations shall each have a Board of Representatives, the composition of which reflects a wide variety of aspects of the regional culture and community.

(2) The Minister for Culture may in special cases approve the establishment of new regional TV 2 stations.

(3) The Minister for Culture may draw up statutes for the regional TV 2 stations.

35. The regional TV 2 stations' activities shall be financed through their shares of licence fees and via income from the sale of programmes and other services, subsidies, dividends, share of profits, etc.

36. A Board of five to seven members shall be in charge of the overall management of the individual regional TV 2 station. The permanent staff of the regional TV 2 station shall elect one member and one deputy hereof, while the other members shall be elected by the Board of Representatives.

(2) Members of or candidates for the Folketing, the regional council, the European Parliament or municipal councils are not eligible to be members of the Board.

(3) The term of office shall be four years.

(4) In the event of the resignation of a member of the Board a new member shall be elected for the remaining term of office.

(5) The Board shall have the supreme executive authority over the regional station. The Board shall have overall programme responsibility and responsibility for the observance of the provisions laid down by this Act, and any provisions pursuant to the Act, for the station. The Board shall lay down the general guidelines for the regional station and shall appoint the General Manager of the regional station.

(6) The General Manager of the regional TV 2 station shall hold day-to-day responsibility for the programme services and shall be in charge of the day-to-day administrative and financial management of the regional station. The General Manager shall appoint the station's staff.

37. The Board of each regional TV 2 station shall draw up the budget for the station for each year. The budget shall be submitted for their information to the Minister for Culture and the Folketing.

(2) The accounts of the regional TV 2 station shall be prepared by the Board and the general management and audited by the Auditor General. As regards TV Syd, the accounts shall, however, be audited by a state-authorized public accountant. The accounts covering the individual year, with the auditor's remarks, shall be submitted to the Minister for Culture for approval, and thereafter submitted to the Folketing for information.

38. Decisions made by the regional TV 2 stations in matters pertaining to the activities of the institution may not be brought before any other administrative authority.

(2) Decisions made by the regional TV 2 stations in matters concerning ethics of journalism and right of reply may be brought before the Press Council as laid down in Chapters 5-7 of the Editorial Responsibility Act.

Chapter 6 a

TV 2/DANMARK A/S's public service programme activities

38 a. The Minister for Culture may grant a licence for TV 2/DANMARK A/S to perform public service programme activities. TV 2/DANMARK A/S's public service programme activities shall be provided to the entire population in accordance with the principles stated in Section 10.

(2) The Minister for Culture may, in connection with issuing the licence, define more detailed terms for the public service programme activities, etc. In this context it may be stipulated that a concession fee shall be paid for the licence. It may also be stipulated that a system of penalties shall be agreed, to be applied in the event that the terms on which the programme licence has been granted are disregarded.

38 b. The Minister for Culture may lay down rules on the programme services, including rules for

the proportion of programmes of European origin to be included, and rules to ensure that consideration is shown for children and young people.

38 c. Advertisements, sponsored programmes and programmes of which the broadcasting time has been paid for may be included in the programme services according to the rules in Chapter 11.

38 d. At the recommendation of the Radio and Television Board, the Minister for Culture may decide to revoke the programme licence either temporarily or permanently if TV 2/DANMARK A/S

1) infringes the Act or any provisions laid down pursuant to the Act, where such infringement is gross or frequently repeated,

2) disregards Section 87 or any order issued pursuant thereto,

3) disregards the terms upon which the programme licence is granted, or

4) disregards instructions issued under Section 88.

38 e. The Minister for Culture may revoke the programme licence either temporarily or permanently if TV 2/DANMARK A/S does not utilise the licence or if there is a significant interruption to programme services.

38 f. In the event of a revocation pursuant to Sections 38 d or 38 e, the Minister for Culture may issue a licence to another enterprise, which would in that instance assume TV 2/DANMARK A/S's rights and obligations under the Radio and Television Broadcasting Act, and any provisions pursuant to the Act. 38 a (2) may be applied correspondingly.

38 g. The Minister for Culture may lay down detailed rules for the separate treatment in the accounts of public service activities and other activities.

Chapter 7

The Radio and Television Board

39. The Minister for Culture shall set up a board, the Radio and Television Board. The Board shall consist of eight members appointed by the Minister. The Minister nominates seven members, including the Chairman and Deputy Chairman, and the Cooperative Forum of Danish Listeners and Viewers Associations nominates one member. The members nominated by the Minister shall represent expertise in legal, financial/administrative, business and media/cultural affairs. Each term of office shall be four years.

(2) Having obtained an opinion from the Board, the Minister may lay down its rules of procedure. In the rules of procedure provisions may be laid down for the Board to set up subcommittees that shall finally decide cases on behalf of the Board.

(3) Radio and television enterprises, etc. covered by the activities of the Radio and Television Board shall be under an obligation to provide the Board with any information and documents, etc. and to submit any written statements that are requested by the Board. The Board may set a deadline for the provision of such information, etc.

40. The Radio and Television Board shall perform a number of tasks in relation to radio and television, cf. Sections 41- 44 a. Decisions made by the Board under these provisions may not be brought before any other administrative authority.

(2) Furthermore, the Radio and Television Board shall issue opinions on radio and television enterprises' statements on their fulfilment of their public service contracts.

(3) The Board shall also issue opinions on other matters, if this is specified in radio and television enterprises' public service contracts, licences, etc.

(4) The Radio and Television Board shall offer advice to the Minister for Culture on matters concerning radio and television.

(5) The Minister for Culture may delegate other tasks in relation to radio and television to the Radio and Television Board. The Minister for Culture may decide that the Board's decisions on such matters may not be brought before any other administrative authority.

41. The Radio and Television Board shall have the following tasks in relation to the distribution of sound and television programmes by means of terrestrial digital broadcasting opportunities:

1) To decide on licences for distribution of Danish and foreign sound and television programmes by means of terrestrial digital television broadcasting networks, to issue such licences and to

supervise the activities, cf. Section 3.

2) To protest any infringement of the Act and any provisions pursuant to the Act, as well as terms laid down in connection with the issuing of distribution licences.

3) To decide on the revocation of distribution licences, cf. Section 4 (3).

42. The Radio and Television Board shall have the following tasks in relation to national and regional programme services on the basis of a special licence or registration:

1) To decide on licences for programme services by means of terrestrial analogue broadcasting opportunities, to grant such licences and to supervise the programme services, cf. Section 45.

2) To register enterprises providing programme services by means of satellite, by means of communal aerial installations or by means of terrestrial digital television broadcasting opportunities and short-wave broadcasting opportunities, and to supervise the programme services, cf. Section 47.

3) To protest any infringement of the Act and any provisions pursuant to the Act, as well as terms laid down in connection with the issuing of programme licences.

4) To decide on the revocation or lapse of licences to provide programme services, cf. Section 50 (1) and Section 51.

5) To decide on the cancellation of registered programme services, cf. Section 50 (2).

43. The Radio and Television Board may provide grants to non-commercial local radio and television stations, cf. Section 92 a.

44. The Radio and Television Board shall have the following tasks in relation to advertising and programme sponsorship:

1) The Board shall decide on the identification, scheduling and extent of advertisements, cf. Sections 72-75.

2) The Board shall decide on the content of radio and television advertisements, cf. Sections 76 and 77. In cases concerning compliance with the Pharmaceuticals Act and the Act on Advertising of Healthcare Services, the Board shall obtain a prior opinion from the Danish Medicines Agency and the National Board of Health respectively.

3) The Board shall decide on the right of reply to information of a factual nature broadcast in advertisements. The right of reply presupposes that the information could cause considerable financial or other damage and that its correctness is not indisputable. The Board may order the holder of a licence or registration for radio or television services to broadcast a reply. The Board may decide upon the content, form and scheduling of the reply.

4) The Board shall decide on the identification of sponsors and sponsored programmes, cf. Sections 79, 80, 81, 83 and 84.

5) The Board shall decide on issues relating to sales encouragement, etc. in sponsored programmes, cf. Sections 82 and 85.

44 a. The Radio and Television Board shall have the following tasks in relation to TV 2/DANMARK A/S's public service programme services in accordance with Chapter 6 a:

1) Supervise the public service programme activities,

2) protest any infringements of the Act and any provisions pursuant to the Act, as well as terms laid down in connection with the issuing of the licence and

3) submit opinions to the Minister for Culture on the revocation of licences issued pursuant to Section 38 a.

Chapter 8

Permission for and registration of programme services

45. The provision of programme services by a radio and television enterprise under Danish jurisdiction shall be subject to a licence from the Radio and Television Board. However, this shall not apply to programme services covered by Section 47 and to DR's, TV 2/DANMARK A/S's and the regional TV 2 stations' public service activities under Sections 12, 31 and 38 a.

(2) Licences for programme services by means of terrestrial broadcasting opportunities shall be granted by the Radio and Television Board following tendering.

(3) A licence to provide programme services pursuant to subsection (1) may be subject to the payment of a concession fee.

(4) The minimum amount, calculation basis and payment terms of the concession fee shall be specified in the tender documents.

(5) The Minister for Culture may define rules on tender procedures pursuant to subsection (2) and licences pursuant to subsection (1), including on the provision of programme services, the term of licences and the use of local television broadcast opportunities in the Greater Copenhagen area. The Minister for Culture may also specify that the Radio and Television Board may, in connection with the issuing of licences for programme services and according to rules defined by the Minister for Culture, define terms for the programme services, etc.

(6) The Minister for Culture may lay down rules on deviation from subsection (2) in connection with trial services.

46. The provision of programme services delivered by a television enterprise that does not fall under the authority of any EU member state and that depends on the use of a frequency or satellite capacity, for the use of which a licence has been issued in Denmark, or on a radio connection from Denmark to a satellite, requires registration pursuant to Section 47.

(2) Section 47 is not applicable for television enterprises that fall under the authority of an EFTA member state.

(3) With a view to fulfilling Denmark's international obligations, the Minister for Culture may lay down detailed rules to the effect that the provision of programme services delivered by a programme enterprise that has a general association with Denmark also requires registration under Section 47.

47. Enterprises under Danish jurisdiction that provide programme services by means of satellite, communal aerial systems, terrestrial digital television broadcasting opportunities and short-wave broadcasting opportunities must be registered with the Radio and Television Board.

(2) The Minister for Culture may lay down detailed rules for registration under subsection (1).

48. The Minister for Culture may lay down rules on the programme services, including rules for the proportion of programmes of European origin to be included, and rules to ensure that consideration is shown for children and young people.

49. Advertisements, sponsored programmes and programmes of which the broadcasting time has been paid for may be included in the programme services according to the rules in Chapter 11.

(2) Enterprises providing programme services according to this Chapter shall identify themselves at the end of each programme.

50. The Radio and Television Board may withdraw a licence granted under Section 45, either temporarily or permanently, if the licensee

1) infringes the Act or any provisions laid down pursuant to the Act, where such infringement is gross or frequently repeated, or

2) disregards Section 87 or any order issued pursuant thereto, or

3) disregards the terms upon which the programme licence is granted, or

4) disregards instructions issued under Section 88.

(2) The Radio and Television Board may make a decision concerning temporary or permanent discontinuation of programme services under Section 47 if the registered enterprise

1) infringes the Act or any provisions laid down pursuant to the Act, where such infringement is gross or frequently repeated, or

2) disregards Section 87 or any order issued pursuant thereto, or

3) disregards instructions issued under Section 88.

51. The Radio and Television Board may withdraw a programme licence temporarily or permanently if the licensee does not utilise the licence or in the event of a major interruption of the programme services.

Chapter 9 (Repealed)

Chapter 10

Licence fees

69. A media licence fee must be paid for equipment that can receive and reproduce television programmes or services that are broadcast to the public.

(2) A radio licence fee must be paid for equipment that can receive and reproduce radio programmes that are broadcast to the public.

(3) The size of the media licence fee and the radio licence fee is defined for one or more years at a time by the Minister for Culture with the endorsement of the Folketing's Finance Committee.

(4) The Minister for Culture may lay down rules concerning payment of licence fees for companies, etc. (legal persons).

(5) Following negotiations with the Minister for Social Affairs, the Minister for Culture may lay down rules concerning reduction or lapse of the licence fee for groups of persons. Funds may be made available from the Treasury to cover the loss of revenue resulting from the introduction of such rules.

69 a. The media licence fees and the radio licence fees are collected by DR and then distributed, as determined by the Minister, to DR, the regional TV 2 stations and any other media-related purposes.

(2) The Minister for Culture may lay down detailed rules concerning the commencement and termination of the obligation to pay licence fees, on due payment dates and collection, and on reminder fees, etc. Interest shall accrue on licence fees paid after the due date and other outstanding amounts. The Minister may in this connection lay down rules concerning the minimum amounts for the collection and refund of licence fees respectively. Interest shall accrue from the due date. The amount of interest shall be calculated in accordance with the Interest Act. The Minister for Culture may lay down rules on extension of payment dates and waiver of arrears.

(3) The reminder fee stated in subsection (2) may not exceed DKK 200.

(4) In accordance with rules laid down by the Minister for Culture, DR may conclude agreements with public authorities to submit information, including electronically, deemed to be necessary for decisions concerning the reduction or lapse of fees, cf. Section 69.

(5) Section 17 (4) of the Act is applied correspondingly for DR's decisions concerning the collection of fees, etc.

70. In accordance with the rules that may be laid down by the Minister for Culture, it is the duty of the owner of equipment that can receive and reproduce TV or radio programmes to inform DR of the possession of such equipment. Business enterprises selling or hiring out equipment that can receive and reproduce TV or radio programmes to consumers are under an obligation, subject to the rules which may be laid down by the Minister, to inform DR of any sale or hire of equipment.

(2) The Minister for Culture may lay down rules concerning a control fee on infringement of subsection (1), clause 1. The size of this control fee shall correspond to the unpaid licence fee, but shall be no less than DKK 500.

71. Fees and charges as provided under Sections 69, 69 a and Section 70 (2) that remain unpaid may, together with interest and costs incurred, be collected by the arrears collection authority. The arrears collection authority may collect amounts owing by distraint and by attachment of the amount from the salary, etc. of the person concerned, according to the rules on collection of personal taxes laid down in the Deduction of Taxes at Source Act.

(2) The Minister for Culture may, in consultation with the Minister for Taxation, lay down detailed rules concerning the procedure to be followed in connection with the attachment of salaries.

(3) Upon request the Bailiff's Court shall decide cases of protest against the control fee, cf.

Section 70 (2), made by the debtor to the arrears collection authority concerning the justification of the claim or the justification of an order for attachment of salary and of any actual deduction made. The request shall be submitted to the arrears collection authority, which shall bring the protest before the Bailiff's Court. The decision shall be made in accordance with the rules set out in Sections 499 to 503 of the Administration of Justice Act.

(4) Decisions pursuant to subsection (3) shall be made by the Bailiff's Court within the jurisdiction of the debtor's place of residence.

(5) The due date for a request for protest made pursuant to subsection (3) shall be four weeks from the debtor's receipt of notification of attachment of salary or deduction.

(6) Should the deadline set out in subsection (5) be exceeded, the Bailiff's Court shall reject the case. However, in exceptional cases the Bailiff's Court may allow a protest to be considered for up

to one year after notification of attachment of salary or deduction. Such request shall be made to the Bailiff's Court within four weeks of notification of such permission. The decision of the Bailiff's Court concerning protests may be appealed to the High Court under the rules set out in Chapter 53 of the Administration of Justice Act.

71 a. The arrears collection authority may remit charges and fees covered by Section 71 under the rules of the Act on Collection of Taxes and Levies.

Chapter 11

Advertising and programme sponsorship

Advertising

72. Advertisements must be clearly identifiable as such, their content and presentation distinguishing them from regular programmes.

73. Advertisements on television shall be transmitted only in blocks to be inserted between the programmes. This does not apply to teletext advertisements.

(2) Advertisement blocks may, however, interrupt sports programmes where breaks occur, or programmes that are transmissions of performances or events where there are intervals for the audience. Scheduling of such advertisement blocks shall take into account the programme's natural breaks, duration and nature in such a way that the integrity and value of the programme shall not be compromised nor the owner's rights infringed.

74. Radio advertisements may be scheduled at any time during the programme service.

75. Advertisements may occupy maximum 15 per cent of the individual licensee's daily broadcasting time, and maximum 12 minutes per hour.

(2) Subsection (1) does not apply to teletext advertisements.

76. Advertisements for tobacco products and for articles mainly used in connection with the smoking of tobacco are not allowed, cf. the Act on Prohibition of Tobacco Advertisements, etc.

(2) Advertisements for pharmaceutical products and healthcare services are permitted subject to the provisions of the Pharmaceuticals Act and the Act on Advertisement of Healthcare Services.

(3) Advertisements for employers' organisations, trade unions, religious movements, political parties, political movements and elected members or candidates for political assemblies are not allowed on television.

(4) Advertisements for political messages are not allowed on television during the period from the date on which an election for a political assembly or a referendum is called until the election or the referendum has been held. If the date of the election or the referendum is announced more than three months before it is held, the advertisement-free period comes into force three months before the election or referendum is held.

77. The Minister for Culture may lay down detailed rules concerning the inclusion of advertisements in programme services, including rules for the identification, scheduling, content and extent of radio and television advertisements.

78. Complaints concerning advertisements and programme sponsorship, cf. Section 44, shall be lodged with the Radio and Television Board within four weeks of the broadcasting of the advertisement or programme concerned.

(2) The Radio and Television Board may decide to take up cases at its own initiative.

(3) The Minister for Culture may lay down rules on the lodging of complaints concerning other matters relating to advertisements and programme sponsorship.

Programme sponsorship

79. Programme sponsorship shall mean any contribution, direct or indirect, to the financing of radio or television programmes, including teletext pages, from a natural or legal person not engaged in the broadcasting or production of radio or television programmes, films, phonograms, etc., with a view to promoting the name, trademark (logo), image, activities or products of that person

80. Sponsored programmes shall be clearly identifiable as such by appropriate credits appearing at the beginning or end, or both, of the programme, showing the sponsor's name, trademark (logo), product or service. Such credits may not appear in the programme itself. On teletext the sponsor's name, trademark (logo), product or service shall appear on the individual pages sponsored.

(2) Identification of sponsorship from enterprises the activities of which include production or sale of pharmaceuticals may not be in the form of promotion of specific pharmaceuticals that are prescription drugs under the Pharmaceuticals Act.

81. The content and scheduling of a sponsored programme shall not be influenced by the sponsor in such a way as to affect the responsibility and editorial integrity of the radio or television enterprise.

82. No sponsored programme may encourage the sale of the sponsor's or a third party's goods or services or promote the goods or services thereof.

83. Programmes may not be sponsored by enterprises whose principal activity is to produce or sell tobacco products or other goods primarily used in connection with smoking.

(2) No radio programmes forming part of the overall public services, cf. Section 11, and no television programmes may be sponsored by employers' organisations or trade unions or by political parties or religious movements.

84. No sponsored news and current affairs television programmes may be broadcast.

(2) News and current affairs radio programmes that do not form part of the overall public services, cf. Section 11, may be sponsored.

85. The Minister for Culture may lay down detailed rules for programme sponsorship and for how programmes for which broadcasting time has been paid may be included in the programme services.

Chapter 12

Miscellaneous provisions

86. Cases and documents concerning the programme service activities and appurtenant business affairs of DR and the regional TV 2 stations shall be exempt from the Access to Public Administration Files Act.

(2) Cases and documents concerning the programme service activities and appurtenant business affairs of DR and the regional TV 2 stations shall be exempt from Chapters 4 to 6 of the Public Administration Act.

87. DR, the regional TV 2 stations, holders of licences to provide programme services, and registered enterprises shall record and keep for three months tapes of all programmes broadcast, pursuant to rules that may be laid down by the Minister for Culture. The enterprise may be directed to hand over tape-recorded programmes in connection with consideration of a case concerning the programme service, including the advertising that is broadcast. If warranted by consideration of the case, the enterprise may be directed to keep recorded programmes for more than three months.

88. Under rules laid down by the Minister for Culture, radio and television enterprises covered by this Act are subject to the obligation to broadcast notifications to the general public regarding emergency measures in a crisis situation.

89. (Repealed)

90. The Minister for Culture may lay down rules to the effect that television enterprises' exclusive rights to events of significant interest to society may not be utilised in such a way that a significant proportion of the population is unable to watch such events via direct or subsequent transmission on a free television channel.

(2) Television enterprises subject to Danish jurisdiction may not utilise exclusive rights to events that have been declared by another EU member state, or a state with which the Community has concluded an agreement, to be of significant interest to society in such a way that a considerable proportion of the population of that country is unable to watch the events on a free television channel. Utilisation of the exclusive rights shall take place in accordance with the rules of that country concerning transmission of all or part of the events and concerning simultaneous or subsequent transmission thereof.

(3) In order to secure for the public the right to be kept informed, the Minister for Culture may lay down rules for certain limitations regarding the exploitation by television enterprises of their exclusive rights to transmit broadcasts of major events so that, in certain, well-defined circumstances, other television enterprises may be able to present short news excerpts about the events.

91. It shall not be permitted to manufacture, import, sell, own or change decoders or other

decoding equipment, the purpose of which is to give unauthorised persons access to the content of an encoded radio or television programme. Advertisements for or other promotion of such equipment are not permitted.

92. The use of radio frequencies in order to provide programme services shall be subject to a licence granted by the National IT and Telecom Agency pursuant to the Act on Radio Frequencies. Should a licence granted under clause 1 be withdrawn, lapse or be revoked, the Minister for Culture may decide that the programme licence under the Radio and Television Broadcasting Act shall lapse.

(2) When granting a programme licence, the Radio and Television Board and the local radio and television boards may set a deadline by which a licence pursuant to the Act on Radio Frequencies shall be obtained. This deadline may be postponed.

92 a. The Minister for Culture may lay down rules concerning the distribution of grants, terms for the use of grants, the submittal of applications, the submittal of accounts, auditing competence and the performance of the audit, etc. in connection with grants paid out under Sections 11 a and 43 of the Act.

(2) The Danish Film Institute and the Radio and Television Board may obtain additional material from the recipients of grants for use by the Auditor General for a more detailed review of the accounts.

(3) Commitments given are revoked and grants paid may be claimed back in instances where the recipient of the grant does not satisfy the conditions of the grant or does not undertake the activity envisaged.

(4) Grants may be paid in advance.

Chapter 13

Penalties

93. Anyone who

- 1) provides programme services in contravention of Section 1,
 - 2) distributes sound or television programmes in contravention of Section 3,
 - 3) infringes the provisions of Section 6,
 - 4) disregards requests made by the Radio and Television Board pursuant to Section 39 (3),
 - 5) disregards a decision pursuant to Section 44,
 - 6) fails to register in accordance with Section 47 (1),
 - 7) disregards a decision to discontinue programme services under Section 42, item 5 or section 50 (2),
 - 8) repeatedly or grossly infringes the provisions of Section 70 (1), clause 1, or regulations issued thereunder,
 - 9) infringes the provisions of Section 70, (1), clause 2,
 - 10) infringes the provisions Section 87 or any order issued thereunder, or
 - 11) infringes the provisions of Section 90 (2)
- shall be liable to a fine.

(2) Regulations issued in pursuance of Sections 7, 77, 85, 88 and 90 (1) may stipulate fines for the infringement of the provisions contained therein.

(3) Companies, etc., (legal entities) may be subject to criminal liability under the rules of Chapter 5 of the Penal Code.

94. Any person who deliberately or by gross negligence infringes Section 91 shall be liable to a fine. If there are particularly aggravating circumstances the penalty may be increased to imprisonment for up to two years. Particularly aggravating circumstances refer to instances where distribution, etc. takes place for commercial purposes, to a wider audience or in circumstances where there is a particular risk of serious infringements.

(2) Section 93 (3) shall apply correspondingly.

Chapter 14

Commencement and transitional provisions, etc.

95. The Act shall come into force on 1 January 2003.

(2) At the same time Act no. 1065 of 23 December 1992 on Radio and Television Broadcasting, as amended, shall lapse.

(3) The rules on the scheduling and extent of the broadcasting time stated in Section 54 (1), item 4, of the Act, which may be laid down by the Minister for Culture pursuant to Section 54 (4) of the Act shall apply to licences granted with effect from 1 January 2003 or a later date.

96. This Act shall not apply to the Faroe Islands and Greenland.

97. Rules issued under the Radio and Television Broadcasting Act in force so far, cf. Section 95 (2), shall remain in force until they are repealed or superseded by rules issued under this Act. Infringement of the rules is subject to a penalty according to the provisions applying hitherto.

98. Programme licences pursuant to Chapter 9 of the Act, which are issued after 1 January 2003, may, irrespective of the provisions of Section 60, not extend beyond 2 March 2004.

(2) The Minister for Culture may lay down detailed rules on deviation from subsection (1).

(3) Notwithstanding the provision in Section 60, the Minister for Culture may lay down rules concerning an extension of programme licences issued pursuant to Chapter 9 of the Act before 1 January 2003.

99. Licences issued for programme services that were confirmed before the date on which the Act came into force shall remain in force.

(2) The Minister for Culture may lay down rules concerning the application of terms in licences already issued at the time when the Act came into force.

Act no. 439 of 10 June 2003 on amendments to the Radio and Television Broadcasting Act (amendments as a consequence of the Act on TV 2/DANMARK A/S) contains the following provision:

2

The Minister for Culture defines the date on which the Act comes into force. In this context the Minister for Culture may state that the individual provisions of the Act come into force on different dates. With the entry into force of Section 1, item 6 of the Act, the independent institution TV 2/DANMARK is considered to be dissolved. **1)**

Act no. 1437 of 22 December 2004 on amendments to the Radio and Television Broadcasting Act contains the following provision:

2

The Act shall come into force on 1 January 2005.

Act no. 1439 of 22 December 2004 on the Legal Deposit of Published Material contains the following provision:

22

(1) The Act shall come into force on 1 July 2005.

(2) The Minister for Culture shall submit a proposal for a revised version of the Act not later than the parliamentary year 2007-08.

(3) Act no. 423 of 10 June 1997 on the Legal Deposit of Published Works is repealed.

Act no. 430 of 6 June 2005 on amendments to various acts and on the repeal of the Act on Local Partnerships regarding Collection contains the following provision:

70

(1) This Act comes into force on the day after publication in the Danish Legal Gazette.

(2) The Act takes effect as from 1 November 2005, although cf. subsection (3).

(3) Decisions on debt collection in respect of which an appeal has been lodged with the previous administrative appeals bodies before 1 October 2005 shall be transferred for processing at the National Tax Tribunal on 1 January 2006 if the previous appeals bodies have not finished processing the appeal before this date.

Act no. 431 of 06 June 2005 on amendments to various acts contains the following provision:

85

(1) The Act takes effect as from 1 November 2005, although cf. subsection (2).

(2) Section 52, item 8 applies for notices that a party with an obligation to deduct employees' tax gives the recipient of income taxed at source on 1 September 2005 or later. **2)**

Act no. 563 of 24 June 2005 on amendments to a number of acts in the area of culture contains the

following provision:

10

(1) This Act comes into force on 1 January 2007. However, the provisions in subsections (2)-(6) come into force on the day the Act is published in the Danish Legal Gazette. 3)

(5) Notwithstanding the provision in Section 64 (6) of the Radio and Television Broadcasting Act, boards in municipalities that are members of a coalition with one or more other municipalities and that have a term of office that expires no later than 30 April 2006 shall operate until the end of 2006. With effect from 1 January 2007 the municipal council or the municipal councils shall appoint a new board. 4)

Act no. 1404 of 21 December 2005 on amendments to the Radio and Television Broadcasting Act and the Editorial Responsibility Act contains the following provision:

3

(1) The Act shall come into force on 1 January 2006.

(2) The Radio and Television Board may without a prior tender extend licences for local radio enterprises using terrestrial broadcast opportunities that expire in the period 1 January 2006 – 31 December 2007. Correspondingly, the Board may in special instances offer free broadcast opportunities to other licensees in the area for which the broadcast opportunity is designated. Extensions and licences may not extend beyond 31 December 2007.

(3) The Minister for Culture shall lay down rules concerning the extensions and licences described in subsection (2), including deviations from the period described.

(4) In accordance with rules laid down by the Minister for Culture, the Radio and Television Board may extend licences for local television services that expire in the period from 1 January 2006 – 31 December 2006.

(5) Licences for programme services that have been awarded at the time when the Act comes into force shall remain in force for the rest of the period for which the licence is valid.

(6) Cases concerning local programme services that are pending at the time when the Act comes into force shall be transferred from the local radio and television boards to the Radio and Television Board on 1 January 2006.

(7) Cases concerning licences for or registration of local programme services that are pending at the time when the Act comes into force shall be processed to completion according to the rules of this Act or provisions laid down pursuant to the Act. Other cases pending shall be processed to completion according to the rules in force at the time.

(8) The Minister for Culture may lay down detailed rules concerning special exemptions from conditions in licences issued before the Act came into force.

Act no. 1569 of 20 December 2006 on amendments to the Radio and Television Broadcasting Act and the Private Housing Act (Implementation of media agreement 2007-2010, etc.) contains the following provisions:

3

(1) The Act shall come into force on 1 January 2007, although cf. subsections (2) and (3).

(2) Section 1, item 6 of the Act shall come into force on 1 January 2011.

(3) The Minister for Culture shall confirm the date on which Section 1, item 2 of the Act shall come into force.

4

The regional TV 2 stations may continue to provide other services that are established on the date on which the Act comes into force in accordance with Section 33 (2) and (3) of the Radio and Television Broadcasting Act that applied hitherto. Any such activity that according to Section 33 (2) and (3) falls under Section 1, items 11 and 12 of this Act may not be provided, must be discontinued by 1 January 2011.

Ministry of Culture, 11 April 2007

Brian Mikkelsen/Lars M. Banke

Official notes

- 1) Pursuant to Executive Order no. 1030 parts of the Act came into force on 17 December 2003.
- 2) This provision is not relevant to the Radio and Television Broadcasting Act.
- 3) This provision means that Section 36 (2) of the Radio and Television Broadcasting Act is changed with effect from 1 January 2007.
- 4) As a consequence of the repeal of Chapter 9 of the Radio and Television Broadcasting Act, cf. Act no. 1404 of 21 December 2005, this provision has no practical significance.

5.24 ANNEX – OVERALL NUMBER OF REGISTERED MEDIA AND NEWS AGENCIES (SOURCE BRA)

- TOTAL NUMBER OF REGISTERED PUBLIC MEDIA, AS OF APRIL 6, 2010 894
- TOTAL NUMBER OF REGISTERED SERVICES OF NEWS AGENCIES, AS OF APRIL 6, 2010 19

LIST OF REGISTERED SERVICES OF NEWS AGENCIES (grouped by founders):

Name of public media	Number under which the public media is filed in the Register	Registration number of the founder	Registered name of the founder
FONET DNEVNI PISANI SERVIS VESTI	NA000001	06963145	F O N E T NOVINSKO IZDAVAČKO PREDUZEĆE DOO BEOGRAD, KNEZA MIHAILA 21/26
FONET TONSKI SERVIS VESTI	NA000002	06963145	F O N E T NOVINSKO IZDAVAČKO PREDUZEĆE DOO BEOGRAD, KNEZA MIHAILA 21/26
FONET TV SERVIS VESTI	NA000003	06963145	F O N E T NOVINSKO IZDAVAČKO PREDUZEĆE DOO BEOGRAD, KNEZA MIHAILA 21/26
FONET DNEVNI FOTO SERVIS VESTI	NA000004	06963145	F O N E T NOVINSKO IZDAVAČKO PREDUZEĆE DOO BEOGRAD, KNEZA MIHAILA 21/26
BETA NEDELJNI SERVIS VESTI NA SRPSKOM I ENGLSKOM JEZIKU	NA000008	17058983	NOVINSKA AGENCIJA BETA PRESS DOO BEOGRAD, KRALJA MILANA 4
BETA GENERALNI SERVIS VESTI NA SRPSKOM I ENGLSKOM JEZIKU	NA000005	17058983	NOVINSKA AGENCIJA BETA PRESS DOO BEOGRAD, KRALJA MILANA 4
BETA DNEVNI SERVIS VESTI NA MANJINSKIM JEZICIMA (MAĐARSKI, ROMSKI, ALBANSKI)	NA000006	17058983	NOVINSKA AGENCIJA BETA PRESS DOO BEOGRAD, KRALJA MILANA 4
BETA AUDIO SERVIS	NA000007	17058983	NOVINSKA AGENCIJA BETA PRESS DOO BEOGRAD, KRALJA MILANA 4
BETA FOTO SERVIS	NA000009	17058983	NOVINSKA AGENCIJA BETA PRESS DOO BEOGRAD, KRALJA MILANA 4
BETA VIDEO SERVIS	NA000010	17058983	NOVINSKA AGENCIJA BETA PRESS DOO BEOGRAD, KRALJA MILANA 4
TANJUG-GENERALNI SERVIS	NA000011	07022301	JAVNO PREDUZEĆE NOVINSKA AGENCIJA TANJUG SA POTPUNOM ODGOVORNOŠĆU BEOGRAD, OBILIČEV VENAC 2
TANJUG-SERVIS VESTI IZ STRANE ŠTAMPE	NA000012	07022301	JAVNO PREDUZEĆE NOVINSKA AGENCIJA TANJUG SA POTPUNOM ODGOVORNOŠĆU BEOGRAD, OBILIČEV VENAC 2

TANJUG-SERVIS VESTI NA ENGLISKOM JEZIKU	NA000013	07022301	JAVNO PREDUZEĆE NOVINSKA AGENCIJA TANJUG SA POTPUNOM ODGOVORNOŠĆU BEOGRAD, OBILIČEV VENAC 2
TANJUG-EKONOMSKI SERVIS (EKOS)	NA000014	07022301	JAVNO PREDUZEĆE NOVINSKA AGENCIJA TANJUG SA POTPUNOM ODGOVORNOŠĆU BEOGRAD, OBILIČEV VENAC 2
TANJUG-VIDEO SERVIS	NA000015	07022301	JAVNO PREDUZEĆE NOVINSKA AGENCIJA TANJUG SA POTPUNOM ODGOVORNOŠĆU BEOGRAD, OBILIČEV VENAC 2
TANJUG-FOTO SERVIS	NA000016	07022301	JAVNO PREDUZEĆE NOVINSKA AGENCIJA TANJUG SA POTPUNOM ODGOVORNOŠĆU BEOGRAD, OBILIČEV VENAC 2
TANJUG-FONO SERVIS	NA000017	07022301	JAVNO PREDUZEĆE NOVINSKA AGENCIJA TANJUG SA POTPUNOM ODGOVORNOŠĆU BEOGRAD, OBILIČEV VENAC 2
BETA OTS SERVIS	NA000018	17058983	NOVINSKA AGENCIJA BETA PRESS DOO BEOGRAD, KRALJA MILANA 4
SPORTSKI INFORMATIVNI SERVIS-DNEVNI SERVIS PISANIH VESTI	NA000019	17483242	PRIVREDNO DRUŠVO ZA USLUGE POSREDOVANJE I TRGOVINU NA VELIKO SPORTSKI INFORMATIVNI SERVIS DOO BEOGRAD, SIME IGUMANOVA 18/II/13

5.25 ANNEX - PUBLICLY FOUNDED MEDIA (SOURCE BRA)

In the Public Media Register, there are **4 newspapers, 38 radio programs, 25 TV programs and 7 services of the news agencies**, which are **founded by public enterprises**.

5.25.1 LIST OF NEWSPAPERS FOUNDED BY PUBLIC ENTERPRISES

Registration no	Name of public media	Founder Registration no	Registered name of the founder
NV000015	NOVI PUT	7114931	JAVNO-INFORMATIVNO PREDUZEĆE NOVI PUT JAGODINA, VUKA KARADŽIĆA 5
NV000081	JEDINSTVO	9018697	NOVINSKO IZDAVAČKO JAVNO PREDUZEĆE PANORAMA PRIŠTINA, DOM ŠTAMPE BB
NV000298	NOVOKNEŽEVAČKE NOVINE	8758069	JAVNO PREDUZEĆE CENTAR ZA INFORMISANJE NOVI KNEŽEVAC NOVI KNEŽEVAC, TRG MOŠE PIJADE 11
NV000482	ZIP: ZAKONI I PRAKSA	7453710	JAVNO PREDUZEĆE SLUŽBENI GLASNIK BEOGRAD, KRALJA MILUTINA 27

5.25.2 LIST OF RADIO PROGRAMS FOUNDED BY PUBLIC ENTERPRISES

Registration no	Name of public media	Founder Registration no	Registered name of the founder
RA000001	RADIO PETROVAC	7631383	JAVNO RADIODIFUZNO I TV PREDUZEĆE PETROVAC NA MLAVI PETROVAC, BATE BULIĆA BB
RA000003	RADIO JAGODINA	7114931	JAVNO-INFORMATIVNO PREDUZEĆE NOVI PUT JAGODINA, VUKA KARADŽIĆA 5
RA000008	RADIO ZRENJANIN	20054042	JAVNO PREDUZEĆE RADIO ZRENJANIN, ZRENJANIN, NARODNE OMLADINE 1
RA000014	RADIO PARAĆIN	7832699	RADIO-NOVINSKO JAVNO PREDUZEĆE PARAĆIN JP PARAĆIN, NIKOLE PAŠIĆA BB
RA000016	RADIO POŽAREVAC	20153113	JAVNO RADIO-DIFUZNO PREDUZEĆE RADIO POŽAREVAC, POŽAREVAC, TAKOVSKA 5
RA000022	RADIO VRANJE	7285531	JAVNO PREDUZEĆE RADIO-TELEVIZIJA VRANJE PO VRANJE, PARTIZANSKA 17 A
RA000023	RADIO BAČKA	8223467	JAVNO PREDUZEĆE RADIODIFUZNE DELATNOSTI RADIO BAČKA BAČ, TRG MARŠALA TITA 4
RA000025	RADIO SEČANJ	8685657	JAVNO PREDUZEĆE RADIO DIFUZNE DELATNOSTI RADIO SEČANJ - SEČANJ, PARTIZANSKI PUT 56
RA000027	RADIO TRSTENIK	17021354	JAVNO PREDUZEĆE RADIO I TELEVIJIE TRSTENIK SA PO TRSTENIK, KNEGINJE MILICE BB
RA000034	RADIO KOSJERIĆ	17015958	JAVNO PREDUZEĆE INFORMATIVNI CENTAR KOSJERIĆ, KOSJERIĆ, RADIŠE PETRONIJEVIĆA 4/II
RA000041	RADIO VRBAS	8061122	JAVNO PREDUZEĆE ZA INFORMISANJE VRBAS, VRBAS, MARŠALA TITA 105
RA000046	RADIO ČAČAK	20145722	JAVNO INFORMATIVNO PREDUZEĆE RADIO ČAČAK, ČAČAK, ŽUPANA STRACIMIRA 35
RA000047	IVANJIČKI RADIO	20296895	JAVNO INFORMATIVNO PREDUZEĆE IVANJIČKI RADIO JAVNO PREDUZEĆE IVANJICA, VENIJAMINA MARINKOVIĆA BB
RA000056	RADIO MLADENOVAC	17569325	JAVNO PREDUZEĆE ZA INFORMISANJE MLADENOVAC, MLADENOVAC, KRALJA PETRA I 175
RA000063	RADIO ŠID	8126437	JAVNO PREDUZEĆE ZA RADIODIFUZNU NOVINSKU I IZDAVAČKU DELATNOST RADIO ŠID, ŠID, KARADORĐEVA 9/V
RA000080	RADIO KOVAČICA	20360348	JAVNO PREDUZEĆE ZA INFORMATIVNU DELATNOST RADIO-TELEVIZIJA OPŠTINE KOVAČICA, KOVAČICA, JANOŠIKOVA 127
RA000082	RADIO MEDVEĐA	17363751	JAVNO PREDUZEĆE RADIO MEDVEĐA, MEDVEĐA, JABLANIČKA 63
RA000102	RADIO STUDIO B	7010109	JAVNO RADIODIFUZNO PREDUZEĆE STUDIO B, BEOGRAD, MASARIKOVA 5
RA000103	RADIO SUBOTICA	8009309	JAVNO PREDUZEĆE RADIO SUBOTICA SZABADKAI RADIO KOZVALLALAT T.F SUBOTICA, PUT JOVANA MIKIĆA 12
RA000108	RADIO CARIBROD	20275430	JAVNO INFORMATIVNO PREDUZEĆE RADIO TELEVIJIA CARIBROD DIMITROVGRAD, TRG DR ZORAN ĐINĐIĆ BR 2
RA000110	RADIO KRUŠEVAC	7194455	JAVNO PREDUZEĆE RADIO TELEVIJIA KRUŠEVAC, KRUŠEVAC, TRG KOSOVSkih JUNAKA 6
RA000111	RADIO DESPOTOVAC	17104209	JAVNO PREDUZEĆE RADIO STANICA DESPOTOVAC, DESPOTOVAC, DESPOTA STEVANA LAZAREVIĆA 2
RA000113	RADIO RAŠKA	17034243	JAVNO PREDUZEĆE RADIO STANICA RADIO RAŠKA, RAŠKA, DUŠANOVA 6
RA000114	RADIO REGIJE	8744360	JAVNO INFORMATIVNO PREDUZEĆE BAČKA TOPOLA, BAČKA TOPOLA, DUNAVSKA 8/III
RA000118	RADIO ŠABAC	20198397	JAVNO PREDUZEĆE RADIO-TELEVIZIJA ŠABAC, ŠABAC, KNEZA LAZARA 1
RA000125	RADIO NOVI BEČEJ	8662959	JAVNO PREDUZEĆE ZA RADIO DIFUZNE DELATNOSTI RADIO NOVI BEČEJ, NOVI BEČEJ, MARŠALA TITA 8
RA000126	RADIO ALT	7187564	JAVNO NOVINSKO-IZDAVAČKO, RADIO-DIFUZNO I TV PREDUZEĆE REČ RADNIKA SA PO ALEKSINAC, DUŠANA TRIVUNCA 5-11

RA000140	RADIO BAP	8779384	JAVNO INFORMATIVNO PREDUZEĆE RADIO BAP ZA PROIZVODNJU I EMITOVANJE RADIO I TV PROGRAMA BAČKA PALANKA, ŽARKA ZRENJANINA 74/4
RA000141	RADIO KIKINDA	8020981	JAVNO PREDUZEĆE INFORMATIVNI CENTAR KIKINDA, KIKINDA, GENERALA DRAPŠINA 20
RA000146	RADIO POŽEGA	20297999	JAVNO INFORMATIVNO PREDUZEĆE RADIO POŽEGA, POŽEGA, FRANCUSKA 1
RA000150	RADIO PIROT	20156813	JAVNO PREDUZEĆE RADIO PIROT, PIROT, TRG PIROTSKIH OSLOBODILACA 30
RA000158	RADIO NOVI PAZAR	17384244	JAVNO PREDUZEĆE ZA INFORMISANJE NOVI PAZAR JP NOVI PAZAR, STANE BAČANIN 29
RA000160	RADIO INĐIJA	8169101	JAVNO PREDUZEĆE ZA INFORMISANJE RADIO TELEVIZIJA INĐIJA, INĐIJA, VOJVODE STEPE 1
RA000165	RADIO BOR	7147317	JAVNO PREDUZEĆE ŠTAMPA, RADIO I FILM BOR - U LIKVIDACIJI
RA000166	RADIO BRUS	17214217	JAVNO PREDUZEĆE RADIO TELEVIZIJA BRUS, BRUS, BRATISLAVE PETROVIĆ 15
RA000167	RADIO LESKOVAC	7207255	JAVNO PREDUZEĆE RADIO LESKOVAC, LESKOVAC, MASARIKOV TRG 7
RA000179	RADIO STARA PAZOVA	8015252	JAVNO PREDUZEĆE ZA INFORMISANJE RADIO STARA PAZOVA, KRALJA PETRA I OSLOBODIOCA 10
RA000190	RADIO KRAGUJEVAC	6875793	JAVNO PREDUZEĆE RADIO-TELEVIZIJA KRAGUJEVAC, KRAGUJEVAC, BRANKA RADIČEVIĆA 9

5.25.3 LIST OF TV PROGRAMS FOUNDED BY PUBLIC ENTERPRISES

Registration no	Name of public media	Founder Registration no	Registered name of the founder
TV000001	TV JAGODINA	7114931	JAVNO-INFORMATIVNO PREDUZEĆE NOVI PUT JAGODINA, VUKA KARADŽIĆA 5
TV000002	TV APOLO	8691193	JAVNO PREDUZEĆE GRADSKI INFORMATIVNI CENTAR APOLO NOVI SAD, TRG SLOBODE 3
TV000005	RTB	17032917	JAVNO PREDUZEĆE RADIO-BUJANOVAC BUJANOVAC, KARADORĐEV TRG BB
TV000014	TV VRANJE	7285531	JAVNO PREDUZEĆE RADIO-TELEVIZIJA VRANJE PO VRANJE, PARTIZANSKA 17 A
TV000015	NTV	17427458	JAVNO PREDUZEĆE ZA RADIO I TELEVIZIJSKU DELATNOST NIŠKA TELEVIZIJA, NIŠ, VOJVODE MIŠIĆA 50/I
TV000017	TV TRSTENIK	17021354	JAVNO PREDUZEĆE RADIO I TELEVIZIJE TRSTENIK SA PO TRSTENIK, KNEGINJE MILICE BB
TV000025	TV VA	17443003	JAVNO PREDUZEĆE REGIONALNA TELEVIZIJA VALJEVO, VALJEVO, PORTOROŠKA BB
TV000031	TV BAČKA	8061122	JAVNO PREDUZEĆE ZA INFORMISANJE VRBAS, VRBAS, MARŠALA TITA 105
TV000034	TV POŽEGA	20297972	JAVNO PREDUZEĆE TELEVIZIJA POŽEGA, POŽEGA, NIKOLE PAŠIĆA 3
TV000036	TV ČAČAK	20145714	JAVNO INFORMATIVNO PREDUZEĆE TV ČAČAK, ČAČAK, ŽUPANA STRACIMIRA 35
TV000038	TV MLADENOVAC	17569325	JAVNO PREDUZEĆE ZA INFORMISANJE MLADENOVAC, MLADENOVAC, KRALJA PETRA I 175
TV000049	TV OK	20360348	JAVNO PREDUZEĆE ZA INFORMATIVNU DELATNOST RADIO-TELEVIZIJA OPŠTINE KOVAČICA, KOVAČICA, JANOŠIKOVA 127
TV000058	TV STUDIO B	7010109	JAVNO RADIODIFUZNO PREDUZEĆE STUDIO B, BEOGRAD, MASARIKOVA 5
TV000061	TV CARIBROD	20275430	JAVNO INFORMATIVNO PREDUZEĆE RADIO TELEVIZIJA CARIBROD, DIMITROVGRAD, TRG DR ZORAN ĐINĐIĆ BR 2
TV000064	TV KRUŠEVAC	7194455	JAVNO PREDUZEĆE RADIO TELEVIZIJA KRUŠEVAC, KRUŠEVAC, TRG KOSOVSkih JUNAKA 6
TV000065	TV RAŠKA	17034243	JAVNO PREDUZEĆE RADIO STANICA RADIO RAŠKA, RAŠKA, DUŠANOVA 6
TV000070	TV ALT	7187564	JAVNO NOVINSKO-IZDAVAČKO, RADIO-DIFUZNO I TV PREDUZEĆE REČ RADNIKA SA PO ALEKSINAC, DUŠANA TRIVUNCA 5-11
TV000073	TV ČUPRIJA	6876331	JAVNO PREDUZEĆE RADIO TELEVIZIJA ČUPRIJA, ČUPRIJA, LOLE RIBARA 1
TV000074	TV TUTIN	17425242	JAVNO INFORMATIVNO PREDUZEĆE INFORMATIVNI CENTAR TUTIN, BOGOLJUBA ČUKIĆA 9
TV000077	TV BAP	8674809	JAVNO PREDUZEĆE ZA RADIO TELEVIZIJSKU DELATNOST TELEVIZIJA BAČKA PALANKA BAČKA PALANKA, ŽARKA ZRENJANINA 74
TV000083	TV ŠABAC	20198397	JAVNO PREDUZEĆE RADIO-TELEVIZIJA ŠABAC, ŠABAC, KNEZA LAZARA 1
TV000087	REGIONALNA TV NOVI PAZAR	17384244	JAVNO PREDUZEĆE ZA INFORMISANJE NOVI PAZAR JP, NOVI PAZAR, STANE BAČANIN 29

TV000090	TV BOR	7147317	JAVNO PREDUZEĆE ŠTAMPA, RADIO I FILM BOR - U LIKVIDACIJI
TV000091	TV BRUS	17214217	JAVNO PREDUZEĆE RADIO TELEVIZIJA BRUS, BRUS, BRATISLAVE PETROVIĆ 15
TV000097	TV KRAGUJEVAC	6875793	JAVNO PREDUZEĆE RADIO-TELEVIZIJA KRAGUJEVAC, KRAGUJEVAC, BRANKA RADIČEVIĆA 9

5.25.4 LIST OF NEWS AGENCIES FOUNDED BY PUBLIC ENTERPRISES

Registration no	Name of public media	Founder Registration no	Registered name of the founder
NA000011	TANJUG-GENERALNI SERVIS	7022301	JAVNO PREDUZEĆE NOVINSKA AGENCIJA TANJUG SA POTPUNOM ODGOVORNOŠĆU BEOGRAD, OBILIČEV VENAC 2
NA000012	TANJUG-SERVIS VESTI IZ STRANE ŠTAMPE	7022301	JAVNO PREDUZEĆE NOVINSKA AGENCIJA TANJUG SA POTPUNOM ODGOVORNOŠĆU BEOGRAD, OBILIČEV VENAC 2
NA000013	TANJUG-SERVIS VESTI NA ENGLISKOM JEZIKU	7022301	JAVNO PREDUZEĆE NOVINSKA AGENCIJA TANJUG SA POTPUNOM ODGOVORNOŠĆU BEOGRAD, OBILIČEV VENAC 2
NA000014	TANJUG-EKONOMSKI SERVIS (EKOS)	7022301	JAVNO PREDUZEĆE NOVINSKA AGENCIJA TANJUG SA POTPUNOM ODGOVORNOŠĆU BEOGRAD, OBILIČEV VENAC 2
NA000015	TANJUG-VIDEO SERVIS	7022301	JAVNO PREDUZEĆE NOVINSKA AGENCIJA TANJUG SA POTPUNOM ODGOVORNOŠĆU BEOGRAD, OBILIČEV VENAC 2
NA000016	TANJUG-FOTO SERVIS	7022301	JAVNO PREDUZEĆE NOVINSKA AGENCIJA TANJUG SA POTPUNOM ODGOVORNOŠĆU BEOGRAD, OBILIČEV VENAC 2
NA000017	TANJUG-FONO SERVIS	7022301	JAVNO PREDUZEĆE NOVINSKA AGENCIJA TANJUG SA POTPUNOM ODGOVORNOŠĆU BEOGRAD, OBILIČEV VENAC 2

5.26 ANNEX – TERRITORIAL DISTRIBUTION (SOURCE BRA)

Type of Public Media	Territorial distribution	Number of Public Media
Other internet editions of public media	Entire territory of Serbia	1
	Total	1
Other public information media	Regionally	4
	Total	4
Internet edition of public media	Entire territory of Serbia	61
	Total	61
Newspapers	Entire territory of Serbia	390
	Regionally	69
	Locally	58
	Total	517
Radio programs	Entire territory of Serbia	5
	Regionally	30
	Locally	158
	Total	193
Services of news agencies	Entire territory of Serbia	19
	Total	19
TV programs	Entire territory of Serbia	6
	Regionally	26
	Locally	67
	Total	99
Total		894

5.27 ANNEX – PERIODICITY OF MEDIA (SOURCE BRA)

Type of Public Media	Dynamics of Issue	Number of Public Media
Other internet editions of public media	Daily	1
	Total	1
Other public information media	Monthly	4
	Total	4
Internet edition of public media	Biweekly	2
	Daily	50
	Quarterly	1
	Monthly	4
	Weekly	3
	Twice a year	1
	Total	61
Newspapers	Annually	17
	Bimonthly	74
	Biweekly	39
	Daily	20
	Other	15
	Quarterly	76
	Monthly	184
	Weekly	83
	Twice a year	9
	Total	517
Radio programs	Daily	173
	Daily, from xx h-to xx h	20
	Total	193
Services of news agencies	Daily	12
	Daily, from xx h-to xx h	6
	Weekly, from xx h-to xx h	1

	Total	19
TV programs	Daily 24/7	79
	Daily, from xx h-to xx h	20
	Total	99
Total		894

5.28 ANNEX – GEOGRAPHICAL SPREAD OF THE MEDIA (SOURCE RBA)

By address of the main editorial board

Municipality	Place	Type of Public Media	Number
Aleksandrovac	Aleksandrovac	Newspaper	1
		Radio program	1
		TV program	1
		Total per place	3
	Total per municipality	3	
Aleksinac	Aleksinac	Radio program	2
		TV program	1
		Total per place	3
	Gredetin	Newspaper	1
		Total per place	1
	Total per municipality	4	
Alibunar	Alibunar	Radio program	1
		Total per place	1
	Vladimirovac	Newspaper	1
		Total per place	1
	Total per municipality	2	
Apatin	Apatin	Newspaper	2
		Radio program	1
		Total per place	3
	Total per municipality	3	
Arandjelovac	Arandjelovac	Radio program	1
		TV program	1
		Total per place	2
	Total per municipality	2	
Arilje	Arilje	Radio program	1
		Total per place	1

	Total per municipality		1
Bajina Bašta	Bajina Bašta	Internet edition of public media	1
		Newspaper	2
		Radio program	1
		TV program	1
		Total per place	5
	Total per municipality		5
Bač	Bač	Radio program	1
		Total per place	1
		Total per municipality	1
Bačka Palanka	Bačka Palanka	Newspaper	1
		Radio program	2
		TV program	1
		Total per place	4
		Total per municipality	4
Bačka Topola	Bačka Topola	Internet edition of public media	1
		Newspaper	1
		Radio program	1
		Total per place	3
		Total per municipality	3
Bački Petrovac	Bački Petrovac	Newspaper	6
		Total per place	6
		Total per municipality	6
Bela Crkva	Bela Crkva	Newspaper	1
		Total per place	1
		Total per municipality	1
Beograd-Voždovac	Beograd-Voždovac	Newspaper	7
		Radio program	1
		Total per place	8
		Total per municipality	8
Beograd-Vračar	Beograd-Vračar	Internet edition of public media	5

		Newspaper	16
		Radio program	2
		TV program	1
		Total per place	24
	Total per municipality		24
Beograd-Grocka	Leštane	Radio program	1
		Total per place	1
		Total per municipality	1
Beograd-Zvezdara	Beograd-Zvezdara	Internet edition of public media	1
		Newspaper	3
		Radio program	1
		TV program	1
		Total per place	6
		Total per municipality	6
Beograd-Zemun	Beograd-Zemun	Internet edition of public media	2
		Newspaper	11
		TV program	3
		Total per place	16
		Total per municipality	16
Beograd-Lazarevac	Lazarevac	Internet edition of public media	1
		Newspaper	3
		TV program	1
		Total per place	5
		Total per municipality	5
Beograd-Mladenovac	Mala Vrbica	Radio program	1
		Total per place	1
	Mladenovac (varoš)	Radio program	2
		TV program	1
		Total per place	3
	Total per municipality	4	

Beograd-Novi Beograd	Beograd-Novi Beograd	Internet edition of public media	3
		Newspaper	63
		Radio program	3
		TV program	1
		Total per place	70
		Total per municipality	70
Beograd-Obrenovac	Obrenovac	Newspaper	2
		Radio program	2
		TV program	1
		Total per place	5
		Total per municipality	5
Beograd-Palilula	Beograd-Palilula	Internet edition of public media	5
		Newspaper	25
		Services of news agencies	1
		Total per place	31
	Borča	Newspaper	1
		Total per place	1
		Total per municipality	32
Beograd-Rakovica	Beograd-Rakovica	Internet edition of public media	1
		Newspaper	3
		Radio program	1
		Total per place	5
		Total per municipality	5
Beograd-Savski Venac	Beograd-Savski Venac	Internet edition of public media	2
		Newspaper	19
		Radio program	3
		TV program	2
		Total per place	26
		Total per municipality	26
Beograd-Stari Grad	Beograd-Stari Grad	Internet edition of public media	5
		Newspaper	74

		Radio program	7
		Services of news agencies	18
		TV program	1
		Total per place	105
	Total per municipality		105
Beograd-Čukarica	Beograd-Čukarica	Internet edition of public media	1
		Newspaper	6
		Radio program	2
		TV program	1
		Total per place	10
	Rušanj	Newspaper	4
		Total per place	4
	Total per municipality		14
Beočin	Beočin	Radio program	1
		Total per place	1
		Total per municipality	
Bečež	Bečež	Internet edition of public media	1
		Newspaper	1
		Radio program	1
		Total per place	3
		Total per municipality	
Bojnik	Bojnik	Radio program	1
		TV program	1
		Total per place	2
		Total per municipality	
Bor	Bor	Internet edition of public media	2
		Newspaper	3
		Radio program	2
		TV program	2
		Total per place	9

	Total per municipality		9
Bosilegrad	Bosilegrad	Radio program	1
		TV program	1
		Total per place	2
	Total per municipality		2
Brus	Brus	Radio program	1
		TV program	1
		Total per place	2
	Total per municipality		2
Bujanovac	Bujanovac	Newspaper	2
		Radio program	1
		TV program	2
		Total per place	5
	Total per municipality		5
Valjevo	Valjevo	Newspaper	2
		Radio program	3
		TV program	3
		Total per place	8
	Total per municipality		8
Velika Plana	Velika Plana	Newspaper	1
		Radio program	2
		Total per place	3
	Total per municipality		3
Vladimirci	Vladimirci	Radio program	1
		Total per place	1
	Total per municipality		1
Vranje	Vranje	Newspaper	3
		Radio program	3
		TV program	2
		Total per place	8
	Vranjska Banja	TV program	1

		Total per place	1
		Total per municipality	9
Vrbas	Vrbas	Radio program	1
		TV program	1
		Total per place	2
		Total per municipality	2
Vrnjačka Banja	Vrnjačka Banja	Radio program	1
		Total per place	1
		Total per municipality	1
Vršac	Vršac	Newspaper	2
		Radio program	1
		TV program	2
		Total per place	5
		Total per municipality	5
Gornji Milanovac	Gornji Milanovac	Newspaper	4
		Radio program	1
		Total per place	5
		Total per municipality	5
Despotovac	Despotovac	Radio program	2
		Total per place	2
	Plažane	Newspaper	1
		Total per place	1
	Total per municipality	3	
Dimitrovgrad	Dimitrovgrad	Radio program	1
		TV program	1
		Total per place	2
		Total per municipality	2
Doljevac	Doljevac	Radio program	1
		Total per place	1
		Total per municipality	1

Žitorada	Žitorada	Radio program	1	
		Total per place	1	
		Total per municipality	1	
Zaječar	Zaječar	Newspaper	1	
		Radio program	3	
		TV program	2	
		Total per place	6	
	Salaš	Radio program	1	
		TV program	1	
		Total per place	2	
		Total per municipality	8	
	Zrenjanin	Zrenjanin	Newspaper	3
			Radio program	2
TV program			1	
Total per place			6	
Total per municipality		6		
Ivanjica	Ivanjica	Radio program	1	
		Total per place	1	
		Total per municipality	1	
Indija	Indija	Internet edition of public media	1	
		Radio program	1	
		Total per place	2	
	Total per municipality	2		
Irig	Vrdnik	Radio program	1	
		Total per place	1	
		Total per municipality	1	
Jagodina	Jagodina	Newspaper	2	
		Radio program	3	
		TV program	1	
		Total per place	6	
	Total per municipality	6		

Kikinda	Kikinda	Newspaper	2
		Radio program	2
		TV program	1
		Total per place	5
		Total per municipality	5
Kladovo	Kladovo	Radio program	1
		TV program	1
		Total per place	2
		Total per municipality	2
Knjaževac	Knjaževac	Internet edition of public media	2
		Newspaper	1
		Radio program	1
		Total per place	4
		Total per municipality	4
Kovačica	Kovačica	Radio program	1
		TV program	1
		Total per place	2
	Uzdin	Newspaper	1
		Total per place	1
		Total per municipality	3
Kovin	Kovin	Newspaper	2
		Radio program	1
		Total per place	3
		Total per municipality	3
Kosjerić	Kosjerić (varoš)	Radio program	2
		Total per place	2
		Total per municipality	2
Kosovska Mitrovica	Kosovska Mitrovica	Newspaper	1
		Total per place	1
		Total per municipality	1

Koceljeva	Koceljeva	Radio program	1
		Total per place	1
		Total per municipality	1
Kragujevac-grad	Kragujevac	Internet edition of public media	5
		Newspaper	5
		Radio program	6
		TV program	3
		Total per place	19
		Total per municipality	19
Kraljevo	Žiža	Newspaper	1
		Total per place	1
	Kraljevo	Internet edition of public media	1
		Newspaper	13
		Radio program	4
		TV program	3
		Total per place	21
		Total per municipality	22
Krupanj	Krupanj	Radio program	1
		Total per place	1
		Total per municipality	1
Kruševac	Kruševac	Newspaper	2
		Radio program	1
		TV program	1
		Total per place	4
		Total per municipality	4
Kuršumlja	Kuršumlja	TV program	1
		Total per place	1
		Total per municipality	1
Leskovac	Grdelica (varoš)	TV program	1
		Total per place	1
	Leskovac	Internet edition of public media	2

		Newspaper	2
		Radio program	2
		TV program	1
		Total per place	7
	Total per municipality		8
Loznica	Loznica	Newspaper	3
		Radio program	2
		TV program	2
		Total per place	7
		Total per municipality	7
Ljig	Liplje	Radio program	1
		Total per place	1
		Total per municipality	1
Ljubovija	Ljubovija	Radio program	3
		Total per place	3
		Total per municipality	3
Majdanpek	Donji Milanovac	Newspaper	1
		Total per place	1
		Total per municipality	1
Medveđa	Medveđa	Radio program	1
		Total per place	1
		Total per municipality	1
Negotin	Negotin	Newspaper	1
		Total per place	1
		Total per municipality	1
Niš - Mediana	Niš	Internet edition of public media	1
		Newspaper	2
		Radio program	2
		TV program	2
		Total per place	7

	Total per municipality		7
Niš - Palilula	Niš	TV program	1
		Total per place	1
	Total per municipality		1
Niš - Crveni Krst	Niš	Newspaper	1
		Total per place	1
	Total per municipality		1
Niš (grad)	Niš (grad)	Newspaper	2
		Radio program	1
		TV program	1
		Total per place	4
	Total per municipality		4
Nova Varoš	Nova Varoš	Newspaper	1
		Total per place	1
	Total per municipality		1
Novi Bečej	Novi Bečej	Radio program	1
		Total per place	1
	Total per municipality		1
Novi Kneževac	Novi Kneževac	Newspaper	1
		Total per place	1
	Total per municipality		1
Novi Pazar	Novi Pazar	Newspaper	2
		Radio program	6
		TV program	3
		Total per place	11
	Total per municipality		11
Novi Sad - grad	Kač	Radio program	1
		Total per place	1
	Kisač	Radio program	1
		Total per place	1
	Novi Sad	Drugo elektronsko izdanje	1

		Drugo sredstvo javnog informisanja	4
		Internet edition of public media	9
		Newspaper	138
		Radio program	12
		TV program	8
		Total per place	172
	Petrovaradin	Internet edition of public media	1
		Newspaper	2
		Total per place	3
	Futog	Radio program	1
		Total per place	1
	Čenej	Newspaper	1
		Total per place	1
	Total per municipality		179
Osečina	Osečina (varošica)	Radio program	1
		Total per place	1
	Total per municipality		1
Odžaci	Deronje	Internet edition of public media	1
		Total per place	1
	Total per municipality		1
Pančevo	Banatsko Novo Selo	Newspaper	1
		Total per place	1
	Pančevo	Newspaper	9
		Radio program	1
		Total per place	10
	Starčevo	Newspaper	1
		Total per place	1
	Total per municipality		12
Paraćin	Paraćin	Radio program	2
		TV program	1

		Total per place	3
		Total per municipality	3
Petrovac	Veliko Laole	Newspaper	1
		Total per place	1
	Petrovac	Radio program	2
		TV program	1
		Total per place	3
Total per municipality	4		
Pećinci	Pećinci	Radio program	1
		Total per place	1
	Šimanovci	Newspaper	1
		Total per place	1
		Total per municipality	2
Piroć	Piroć	Newspaper	2
		Radio program	1
		TV program	2
		Total per place	5
	Total per municipality	5	
Plandište	Plandište	Radio program	1
		Total per place	1
	Total per municipality	1	
Požarevac	Požarevac	Newspaper	4
		Radio program	2
		TV program	2
		Total per place	8
	Total per municipality	8	
Požeća	Požeća	Radio program	1
		TV program	1
		Total per place	2
	Total per municipality	2	
Preševo	Crnotince	Radio program	1

		TV program	1
		Total per place	2
		Total per municipality	2
Priboj	Priboj	Radio program	2
		TV program	1
		Total per place	3
		Total per municipality	3
Prijepolje	Prijepolje	Newspaper	1
		Radio program	1
		TV program	1
		Total per place	3
		Total per municipality	3
Raška	Beoci	Radio program	1
		Total per place	1
	Raška	Radio program	1
		TV program	1
		Total per place	2
	Total per municipality	3	
Ruma	Ruma	Radio program	1
		Total per place	1
		Total per municipality	1
Svilajnac	Svilajnac	Radio program	2
		Total per place	2
		Total per municipality	2
Svrljig	Svrljig	TV program	1
		Total per place	1
		Total per municipality	1
Senta	Senta	Internet edition of public media	1
		Total per place	1
		Total per municipality	1

Sečanj	Sečanj	Radio program	1
		Total per place	1
		Total per municipality	1
Smederevo	Smederevo	Newspaper	6
		Radio program	1
		Total per place	7
		Total per municipality	7
Smederevska Palanka	Smederevska Palanka	Newspaper	1
		Radio program	1
		TV program	2
		Total per place	4
		Total per municipality	4
Sokobanja	Sokobanja	Radio program	1
		TV program	1
		Total per place	2
		Total per municipality	2
Sombor	Sombor	Internet edition of public media	1
		Newspaper	2
		Radio program	2
		TV program	1
		Total per place	6
		Total per municipality	6
Srbobran	Srbobran	Internet edition of public media	1
		Radio program	1
		Total per place	2
		Total per municipality	2
Sremska Mitrovica	Sremska Mitrovica	Newspaper	5
		Radio program	1
		Total per place	6
		Total per municipality	6
Sremski Karlovci	Sremski Karlovci	Newspaper	2

		Total per place	2
		Total per municipality	2
Stara Pazova	Stara Pazova	Newspaper	1
		Radio program	2
		Total per place	3
	Total per municipality	3	
Subotica	Palić	Newspaper	1
		Total per place	1
	Subotica	Internet edition of public media	3
		Newspaper	8
		Radio program	5
		TV program	2
		Total per place	18
	Hajdukovo	Internet edition of public media	1
		Total per place	1
	Total per municipality	20	
Temerin	Temerin	Newspaper	1
		Radio program	1
		Total per place	2
	Total per municipality	2	
Topola	Topola (varošica)	Radio program	1
		Total per place	1
	Total per municipality	1	
Trstenik	Trstenik	Radio program	1
		TV program	1
		Total per place	2
	Total per municipality	2	
Tutin	Tutin	Radio program	1
		TV program	1
		Total per place	2

		Total per municipality	2
Čuprija	Čuprija	Radio program	3
		TV program	1
		Total per place	4
		Total per municipality	4
Ub	Ub	Newspaper	1
		Radio program	2
		Total per place	3
		Total per municipality	3
Užice	Užice	Newspaper	2
		Radio program	4
		TV program	2
		Total per place	8
		Total per municipality	8
Čajetina	Zlatibor	Radio program	1
		Total per place	1
		Total per municipality	1
Čačak	Čačak	Newspaper	2
		Radio program	6
		TV program	2
		Total per place	10
		Total per municipality	10
Čoka	Čoka	Radio program	1
		Total per place	1
		Total per municipality	1
Šabac	Lipolist	Radio program	1
		Total per place	1
	Šabac	Newspaper	2
		Radio program	2
		TV program	3
		Total per place	7

	Total per municipality		8
Šid	Šid	Radio program	2
		TV program	1
		Total per place	3
	Total per municipality		3
Total			894