

COMMUNICATIONS LAW (TELECOMMUNICATIONS AND BROADCASTING), 5742-1982

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CHAPTER A: DEFINITIONS

1. **Definitions**

In this Law –

"Service Area" - a geographical area in which a General License holder is obligated, by the terms of its License, to establish, maintain, or operate a Public Telecommunication Network, and to provide Telecommunication Services to the general public by means thereof;

"Type Approval"- approval which is given in accordance with this Law to a model of Terminal Equipment for the purpose of connecting it to the General License holder's telecommunications network, including a said approval attesting that the primary characteristics of the Terminal Equipment in respect of which the approval is given correspond to a model of Terminal Equipment in respect to which a prior Type Approval had been given;

"Means of Control", in a corporation - any one of the following:

- (1) the right to vote at a general meeting of a company or a corresponding body of another corporation;
- (2) the right to appoint directors of the corporation or its general manager;
- (3) the right to share in the profits of the corporation;
- (4) the right to share in the surplus assets of the corporation at its dissolution, after discharge of its liabilities;

“**Telecommunication(s)**” - the broadcasting, transfer or reception of signs, signals, writing, visual forms, sounds or information by means of wire, wireless, optical system or other electromagnetic systems;

“**Interested Party**” – a person who holds five percent or more of a particular type of Means of Control;

“**Licensee**” – a person that has received a General License or a Special License for the conduct of Telecommunication Activities and for the provision of Telecommunication Services;

“**Cable Broadcasting Licensee**” – a person that has received a General Cable Broadcasting License, an On -Demand Broadcasting License or a Special Cable Broadcasting License, under Chapter B1;

“**Broadcasting Licensee**” – a Cable Broadcasting Licensee, or a Satellite Broadcasting Licensee under Chapter B2;

“**Road**” – including any rail, road, street, alley, square, passage, bridge or open space, through which the public has a right to pass through;

“**The Company**” – “Bezeq”, the Israel Telecommunication Corporation Ltd.;

“**Holding**” – for the purpose of Means of Control in a corporation - directly or indirectly, whether alone or in concert with others, including through another,

including a trustee or agent, or through a right granted under an agreement, including an option for a holding that does not derive from convertible securities, or in any other way;

"**General Permit**" – a permit granted under section 4A1 for the conduct of Telecommunication Activities and for the provision of domestic or international Telecommunication Services, that is limited to a certain type of Telecommunication Activities or Telecommunication Services;

"**The Ordinance**" - the Wireless Telegraph Ordinance [New Version], 5732-1972.

"**The Companies Law**" – the Companies Law, 5759-1999;

"**Broadcasting HeadEnd**" – a Telecommunications Facility in which are installed the means required in order to feed Broadcasts, including Broadcasts received through the air, into a Public Telecommunication Network, for distribution to subscribers;

"**Interface**" – the physical meeting point between different functional Telecommunications units, including by optical or wireless means;

"**Telecommunications Facility**" – a facility or apparatus, which is primarily intended for Telecommunication purposes, and for the purposes of Chapters G and H – a facility or apparatus which is used or is intended for use for Telecommunication purposes, all of which including Terminal Equipment;

"**Telecommunication Message**" – a message broadcast, transferred, received or delivered for broadcasting or for transfer at a Telecommunications Facility;

"**External Laboratory**" – a laboratory that is not a Ministry of Communications' laboratory, engaged in the conduct of inspections and measurements of Terminal Equipment;

"**Officer**" – as defined in the Companies Law;

"**License Assets**" – the assets necessary to assure the provision of Telecommunication Services by a Licensee under its License, or to assure the performance of Broadcasts by a Broadcasting Licensee under its license;

"**N.T.P. (Network Termination Point)**" - an Interface to which a Public Telecommunication Network is connected on one side, and Terminal Equipment, a Private Network or a different Public Telecommunication Network on the other side, as the case may be;

"**Terminal Equipment**" – Telecommunication equipment for use by subscribers, which connects or is meant to connect between the subscriber's premises or any other location and a Public Communication Network, by means of the Interface designated for this purpose, including mobile radio telephone equipment, unscramblers or encoders, and including any other apparatus installed on the subscriber's premises and intended to be used for the reception of Broadcasts on his premises, as well as Satellite Terminal Equipment as defined in section 6QQ;

"**Telecommunication(s) Activity**" – the operation, installation, construction or maintenance of a Telecommunications Facility, all for the purpose of Telecommunication;

"**General License**" – a license granted under this Law to establish, sustain or operate a Public Telecommunications Network, and for the conduct of

Telecommunication Activities and the provision of Domestic or International Telecommunication Services by means thereof;

"Unique General License" – a General License under section 4(A1), for the provision of Domestic Fixed-Lined Telecommunication Services, even if not to the general public, nationwide, or even if not in at least one Service Area;

"Special License" - a license granted under this Law for the conduct of Telecommunication Activities and for the provision of Domestic or International Telecommunication Services, which is limited to a certain category of Telecommunication Activities or of Telecommunication Services;

"Mobile Radio Telephone via Network License" – a license for the provision of mobile radio telephone services, which involve the use of another Licensee' Telecommunications Facility for the purpose of providing mobile radio telephone services;

"Public Telecommunication Network"- a system of Telecommunications Facilities which serve or are meant to serve for the provision of Telecommunication Services to the general public, nationwide or at the very least in a Service Area, and which includes switching and routing equipment, transmission equipment and an Access Network, including an M.R.T. System and an International Telecommunication System, but excluding Terminal Equipment;

"Access Network" - Components of a Public Telecommunication Network used for connecting [the "last mile"] between a Switch (PSTN) and an N.T.P. using terrestrial infrastructure, wireless infrastructure or a combination of the two;

"Broadcasts" – television broadcasts intended for the public, provided to subscribers, whether over a single channel or over a multi-channel system, and also services directly ancillary thereto, including video or audio services, two-directional and interactive Broadcasts;

"Telecommunication Service" – conducting Telecommunication Activities on behalf of a third party;

"Control" - the ability to direct the activity of a corporation, whether alone or in concert with others or through others, directly or indirectly, by virtue of a Holding in the Means of Control in it or in another corporation, including an ability deriving from the articles of incorporation of the corporation, by virtue of a written, oral or other agreement, or an ability derived from any other source, except for ability deriving solely from holding the position of an officer in the corporation;

without derogating from the generality of the aforesaid, a person shall be deemed to control a corporation if it holds fifty percent or more of a particular type of Means of Control in the corporation, or it is able to prevent the adoption of business decisions in the corporation, other than decisions on the issue of Means of Control in the corporation or decisions on the sale or liquidation of most of the business of the corporation or its substantive change; a person shall be presumed to control a corporation if it holds the highest rate of Means of Control of any type;

"**Amendment 25**" – The Telecommunications Law (Amendment No. 25), 5761-2001;

"**The Minister**" – the Minister of Communications.

CHAPTER B: TELECOMMUNICATION ACTIVITIES AND TELECOMMUNICATION SERVICES – LICENSING

2. The right of the State and licensing obligation

- (a) The State has the right to conduct Telecommunication Activities and to provide Telecommunication Services.
- (b) No person shall conduct Telecommunication Activities and no person shall provide Telecommunication Services unless it obtains a license therefor from the Minister under this Law or by virtue of a General Permit therefor.

3. Restrictions on application

The provisions of section 2(b) shall not apply to -

- (1) a Telecommunication Activity conducted by a person for himself, whether on his own or through another, in a continuous area held by him and without creating a connection outside of that area;
- (2) manufacturing a Telecommunication Facility or part thereof;
- (3) an activity carried out by a person pursuant to a license under the Ordinance, and a Telecommunication Activity that the Ordinance exempts from the requirement of a license;
- (4) operating a stop light regulating road traffic;
- (5) A Telecommunication Activity conducted by a person by means of a Licensee's facilities, provided that the Licensee may, under its license, allow another to conduct the said a Telecommunication Activity;
- (6) electronic data processing;
- (7) whosoever sustained or operated, for five consecutive years prior to the 13th of Tevet, 5759 (the 1st of January, 1999), a radio station for radio broadcasts primarily intended for the public in Israel, in such a manner that those Broadcasts were received in most of Israel's territory, and continued to do so after the said date as well, and that person shall be considered as having received a license under this Law, under section 5(a) of the Ordinance, and as having received a franchise under section 32(a) of the Second Authority for Television and Radio Law, 5750-1990;
- (8) telecommunication Activities or Telecommunication Services, whether domestic or international, of a certain type, in respect of which the Minister has prescribed, by an order, an exemption from the license requirement under section 4 and from the General Permit

requirement, having considered, *inter alia*, the considerations set out in section 4(b), *mutatis mutandis*, and having concluded that regulation of the conduct of the said activities or the provision of the said services under the provisions of this Law is not called for, provided that the Minister shall not prescribe an exemption under the provisions of this paragraph unless –

- (a) any one of the conditions set out in section 4A1(a) holds true for the said Telecommunication Activities or the said Telecommunication Services;
- (b) for the purpose of the Telecommunication Services – a significant level of competition exists in the provision of services of the said type.

4. **Grant, change and revocation of licenses**

- (a) The Minister may grant a license for the conduct of Telecommunication Activities and for the provision of Telecommunication Services, and set out terms and conditions in the license, and he may direct that the license be granted by way of a tender; the license may be general or special; nothing in the grant of a General License shall prevent the grant of a Special License for an Activity or Service included in the General License.
 - (a1)
 - (1) Without derogating from the powers of the Minister under this section, and subject to the considerations set out in subsection (b), starting from the 15th of Elul, 5764 (the 1st of September, 2004) (in this section – the Determining Date), the Minister may grant a Unique General License, including to whoever was, prior to the Determining Date, a holder of a General License for the provision of Telecommunication Services other than Domestic Fixed-Lined Telecommunication Services; if the Minister has granted a said license, the Unique General License shall be considered as a General License and the Telecommunication Network by means of which the Services of the said licensee are provided shall be considered as a Public Telecommunication Network for all matters and purposes.
 - (2) Nothing in this subsection shall derogate from the provisions of section 6L2 or from any other law, or from the obligations, under a General License granted prior to the Determining Date, to provide the Services under that license to the general public, nationwide or at the very least in a Service Area, as the case may be; for the purposes of

this paragraph, "General License" – even if the license or Control of the Licensee had been transferred to another.

(3) Notwithstanding the aforesaid in paragraph (1), if a Unique General License had been granted under that paragraph, and the Licensee became a Dominant Operator in a Domestic Fixed-Lined Telecommunication Services Sector of Activity, the Minister may mandate, in its license, that its Services shall be provided in a single Service Area at the very least; for this purpose, "a Dominant Operator" – as determined by the Minister.

(4) A license under this subsection shall be granted notwithstanding the aforesaid in the definition of "General License" and "Public Telecommunication Network".

(a2)

(1) Without derogating from the powers of the Minister under this section, and subject to the considerations set out in subsection (b), the Minister may grant a Mobile Radio Telephone via another Network License;

(2) the Minister shall prescribe the conditions for the grant of a Mobile Radio Telephone via another Network License; the first regulations under this paragraph shall be made by the 13th of Tishrei, 5770 (the first of October, 2009);

(3) if the Minister has granted a Mobile Radio Telephone via another Network License under paragraph (1), the said License shall be considered as a General License and the Telecommunication Network by means of which the Services of the said licensee are provided shall be considered as a Public Telecommunication Network for all matters and purposes.

(4) if the Minister has granted a Mobile Radio Telephone via another Network License under paragraph (1), he shall direct, by virtue of his power under section 5, that the holder of a license for the provision of mobile radio telephone services (in this paragraph and in paragraph (5) – the Other Licensee) must enable the holder of the Mobile Radio Telephone via another Network License to use its Telecommunication Facility, and the price and terms of the said use, if both of the following hold true:

(a) the Mobile Radio Telephone via another Network License holder had requested the Other Licensee to use its Telecommunication Facility, and they did not reach an agreement on the terms of use within six months from the date of the request;

- (b) the Minister and the Minister of Finance conclude that the Other Licensee had set unreasonable terms for the said use;
 - (5) the Minister's directives on use said in paragraph (4) shall be given within nine months from the date of the request said in paragraph (4)(a), or within 90 days from the date on which a Mobile Radio Telephone via another Network License holder applied to the Minister and the Minister of Finance regarding the reasonableness of the terms of use required by the Other Licensee, whichever is later;
 - (6) In this subsection, "Use" – as defined in section 5(a).
- (b) In the grant of a license and in the stipulation of its terms, the following considerations, *inter alia*, shall be taken into account:
- (1) the government policy on Telecommunications;
 - (1A) considerations concerning the public welfare;
 - (2) the suitability of the license applicant to conduct the Telecommunication Activities and to provide the Telecommunication Services for which it is applying for a license;
 - (3) the contribution of the grant of the license to competition in the field of Telecommunications and to the standard of services therein;
46. A license application shall be submitted to the Minister in writing, and shall specify the details of the proposed Telecommunication Activities and Telecommunication Services the manner of their performance; the Minister may determine, in regulations, additional details to be included in the application.
47. The Minister may approve an application, impose conditions for his approval that must be met prior to the grant of the license or subsequent to the license being granted, including conditions concerning the payment of fees and the furnishing of guarantees and the manner of the forfeiture thereof, and he may reject the application, giving reasons for the rejection. In case of a Special License that includes Terminal Equipment, he may also stipulate the condition that the Equipment must first obtain a Type Approval.
- (d1) No license, including any of the rights granted thereunder, may be transferred, charged or attached; any transfer, charge or attachment of any of the License Assets, not explicitly allowed under the license, shall require the approval of the Minister; however, the Minister may, in special cases, after having taken into account the considerations stated in subsection (b), permit the transfer of a license while carrying out structural changes, on conditions that shall

- be stipulated by him, if he is convinced that all of the conditions that held true for the transferor hold true for the transferee Licensee.
- (d2) Without derogating from the provisions of subsections (b) and (e) or section 59, and taking into consideration, *inter alia*, the considerations said in subsection (b), the Minister may prescribe, by regulations or in a license, provisions concerning the following:
- (1) restrictions and conditions in respect of the holding, transferring or purchasing of Means of Control in a license applicant or in a Licensee, including by an Other Licensee under this Law or an Interested Party in any of them, all of which whether directly or indirectly, as well as restrictions and conditions concerning the appointment of Officers therein;
 - (2) the maintenance of separate accounting systems for different services provided by the Licensee, including by means of a system for separate recording of expenses and income, or separate financial statements, all of which shall be prescribed; if the Minister has granted a license for a Broadcasting HeadEnd to a person who is a Licensee under this Law, the Licensee shall maintain a separate accounting system as said in this paragraph, in such manner as the Minister shall direct;
 - (3) a requirement to maintain separate corporations for the Licensee and for another for the purpose of the provision of different services, including separation between the provision of services to a Licensee and the provision of services to a subscriber, and provisions relating to the execution of the separation.
- (d3) If the Minister directed that a license shall be granted by way of a tender as said in subsection (a), he may direct that the selection of a Licensee shall be based, *inter alia*, on the amount of the license fees offered by the participants in the tender.
- (e) The Minister may change the terms of a license, add to or subtract therefrom; in this regard, the considerations said in subsection (b), *inter alia*, shall be taken into account, as well as the changes that had occurred in Telecommunications technology.
- (f) The Minister may, by giving notice in *Reshumot*,
- (1) grant a holder of a General License some or all of the powers and immunities listed in Chapters F and I; and he may direct that the exercise of the powers or the application of the immunities shall be conditional upon the fulfillment of conditions that he shall stipulate, including a limitation

of the period during which the said powers or immunities may be exercised;

- (2) grant the powers said in paragraph (1) to the holder of a Special License, if he finds that there is special importance to the provision of the Service for which the license had been granted, and there are no other alternatives.

4A. **Certification and authorization of External Laboratories and grant of Type Approval**

- (a) The Minister may certify an External Laboratory, for which the conditions prescribed under section 53A(a)(1a) hold true, to conduct inspections and measurements of Terminal Equipment, for the purpose of giving Type Approval, generally or with respect to certain types of Terminal Equipment or certain matters, in accordance with the provisions stipulated under section 53A(a)(1) or (c) (in this section – "Certified External Laboratory").
- (a1) The Minister may grant a Certified External Laboratory, for which the conditions stipulated under section 53A(a)(1b) hold true, authorization to give Type Approvals in respect to such types of Terminal Equipment as he may direct, in accordance with stipulated under section 53A(a)(1) or (c) (in this section – "Authorized External Laboratory").
- (a2) An External Laboratory seeking to be certified under the provisions of subsection (a), or a Certified External Laboratory seeking to be authorized under the provisions of subsection (a1) shall submit a written application to the Minister for the said certification or authorization; the Minister may approve the application, impose conditions for his approval that must be met prior to the certification or authorization or subsequent thereto, or reject the application, giving reasons for the rejection.
- (a3) Notice of the certification of an External Laboratory or the authorization of a Certified External Laboratory under this section shall be published in *Reshumot* and on the Ministry of Communications' internet website.
- (a4) The Minister may change one of the conditions for certification or authorization granted under subsections (a) or (a1), and he may also revoke a said certification or authorization or suspend it for such a period as may set, if he finds that the External Laboratory fails to fulfill the stipulated conditions for the said certification or authorization, or had breached one of the conditions for the certification or authorization, or one of the provisions stipulated under subsection (d4) or section 53A(a)(1) or (2), or (c), that apply thereto.
- (b) If a person seeks to connect Terminal Equipment in respect of which no Type Approval has yet been given, to the Telecommunication

Network of a holder of a General License, then it shall submit a written application to obtain a Type Approval to an Authorized External Laboratory; the details of the Equipment shall be provided in the application, and the specifications of the Equipment and any other detail or document, as shall be prescribed by regulations or a procedure under section 53A(a) or (c), shall be attached thereto.

- (c) No Type Approval shall be issued unless the Authorized External Laboratory considered and examined the application and the following, at least, hold true:
 - (1) the Terminal Equipment is compatible with the Telecommunication Network of the holder of the General License;
 - (2) the level of safety of the Terminal Equipment is sufficient to prevent injury or damage to the Equipment's users and those handling it, and to the Telecommunication network and its workers.
- (d) An Authorized External Laboratory may approve an application said in subsection (b), impose conditions for its approval that must be met prior to the issue of a Type Approval or subsequent to the Type Approval being given, including conditions concerning the payment therefor, or reject the application, giving reasons for the rejection, all of which under the provisions stipulated under section 53A(a)(1) or (C).
- (d1) If the Minister did not certify an External Laboratory for the conduct of inspections and measurements of Terminal Equipment under subsection (a) or did not authorize an External Laboratory to give Type Approvals under subsection (a1), whether generally or with respect to certain types of Terminal Equipment, the Minister may give Type Approvals, generally or with respect to Terminal Equipment with respect to which no said certification or authorization, as the case may be, has been granted, in accordance with the provisions stipulated for this purpose under section 53A, and he may also do so with respect to types of Terminal Equipment with respect to which said certification or authorization has been granted if there are reasons that justify this, all of which for reasons which shall be recorded; the provisions of subsections (b) through (d) shall apply, *mutatis mutandis*, to the issuing of Type Approval by the Minister under this subsection.
- (d2) If a Type Approval has been given by an Authorized External Laboratory, the Minister may revoke it if he finds that there are special reasons, which shall be recorded, that justify this.
- (d3) Terminal Equipment which is mobile radio telephone equipment, that meets the conditions prescribed by the Minister by an order, does not require Type Approval; the Minister may prescribe, by an

order, conditions for the grant of an exemption from Type Approval for additional certain types of Terminal Equipment, as he may prescribe.

- (d4) The Minister shall appoint an employee from among the employees of his ministry, to supervise the activities of Certified External Laboratories and of Authorized External Laboratories, who may prescribe procedures for the activity of said Laboratories; said procedures shall be brought to the knowledge of the laboratories in such manner as the Director General of the Ministry of Communications shall deem to be appropriate, and shall be published on the Ministry of Communications' internet website.
- (e) (Repealed).

4A1. **General Permit**

- (a) If the Minister concludes that regulation of the conduct of Telecommunication Activities or the provision of Telecommunication Services, of a certain type, by a License under section 4, is not called for, he may, without derogating from the provisions of section 5, grant a General Permit for the conduct of the said Telecommunication Activities or for the provision of the said Telecommunication Services, and stipulate conditions therein, provided that one of the following holds true:
 - (1) the conduct of the activities or the provision of the services is primarily based on Telecommunication Activities conducted by a Licensee or on Telecommunication Services provided by it;
 - (2) the services are provided solely to a Licensee;
 - (3) the services are provided by means of a Telecommunication Facility operated by a Licensee;
 - (4) the conduct of the activities or the provision of the services solely involve the operation or maintenance of Terminal Equipment, with respect of which a Type Approval was given;
 - (5) a large number of Special Licenses were granted with respect to the services, in a uniform format;
 - (6) the activities or services are of minor importance, in light of their nature and the circumstances of the performance thereof.
- (b) In granting a General Permit and in stipulating its terms, the Minister shall take into account, *inter alia*, the considerations set out in section 4(b), *mutatis mutandis*.
- (c) The General Permit shall include provisions concerning recording obligations and the obligation to report to the Minister or to any

person empowered by him for that purpose, the fulfillment of which is a condition for the application of the permit to whoever wishes to conduct Telecommunication Activities or to provide Telecommunication Services, by virtue thereof.

- (d) The General Permit shall be published in Reshumot.
- (e) The following provisions, that apply in regard to a Special License and to whoever has received a Special License, including the powers of the Minister granted under the said provisions in regard to a said License and a Licensee, shall apply to a General Permit and to whoever acts by virtue of a General Permit, all as the case may be and *mutatis mutandis*:
 - (1) the provisions of Chapter B, excluding section 4(f)(2) thereof, and also section 6K1 of Chapter B1, and Chapters D, E and K;
 - (2) the provisions of any other law and any regulations made thereunder.
- (f) The Minister may prescribe by regulations –
 - (1) a fee for registration said in subsection (c) or for the renewal thereof;
 - (2) ways and times for the payment of the fee, including its linkage to the consumer price index, and also the obligation and terms for the payment of interest arrears, linkage differentials and collection expenses in respect of fees that were not paid on the prescribed date.

4A2. **Status of a licensee subsequent to the grant of a General Permit or an exemption**

If the Minister has granted a General Permit, or has prescribed an exemption under the provisions of section 3(8), with respect to Telecommunication Activities or Telecommunication Services of a certain type, with respect to which a License was earlier granted under the provisions of section 4, he shall prescribe, in the permit or by the order in which the exemption was prescribed, as the case may be, provisions concerning the status of the License and of the Licensee subsequent to the grant of the permit or the prescription of the exemption.

4B. (Repealed).

4C. **Fees for licenses and the conditions therefor**

- (a) The Minister may prescribe by regulations –

- (1) a fee for the grant of a License;
 - (2) an annual fee that a Licensee must pay for any type of Telecommunication Service provided by it, excluding a Telecommunication Service in respect of which it pays royalties under section 54;
 - (3) ways and times for the payment of the fees, including the linkage thereof to the consumer price index, the collection of interest arrears and the expenses thereof.
- (b) The Minister may stipulate, by regulations said in subsection (a), that any payment paid as a condition for the grant of a License or under it, prior to the commencement of the said regulations, shall be regarded as a fee prescribed therein.

4C1. Power to demand information

The Minister or an employee of the Ministry of Communications empowered therefor by the Minister, may demand the Licensee or any person acting on its behalf in the performance of Telecommunication Activities, the provision of Telecommunication Services or the performance of Broadcasts to provide to him, on such dates, in such format and in such manner as he shall instruct any information required for the exercise of the powers of the Minister under this law, or to facilitate the carrying out thereof; in this section, "Licensee" – including a Broadcasting Licensee or any person acting by virtue of a General Permit and any person who was granted Type Approval.

4D. Essential Service

- (a)
- (1) The Prime Minister and the Minister, at their own initiative and also at the request of the Minister of Defense, with the approval of the government, may determine in an order that a Telecommunication Service specified therein is an essential service (hereinafter – Essential Service), if they have observed one of the following:
 - (a) that a cessation, reduction or any other impairment to it, including to the dependable provisions thereof, may prejudice national security or the proper supply of services to the public;
 - (b) that the acquisition of Control or Means of Control in the Essential Service provider or the Holding thereof may have an adverse effect on the government's policy in the field of

Telecommunications, including an adverse effect on competition in this field;

- (2) before the Prime Minister and the Minister determine that a Telecommunication Service is an Essential Service, due to the existence of grounds specified in sub-section (a)(1), they shall afford the Licensee providing the said service (hereinafter – Essential Service Provider), as well as whomever is a Controlling Party thereof or and Interested Party therein, an opportunity to voice their contentions.
- (a1) No person shall transfer to another Control of an Essential Service Provider in respect of which an order under subsection (a) was issued, acquire a said Essential Service Provider or hold Control thereof, unless it obtains a prior written permit therefor from the Prime Minister and the Minister and on the conditions prescribed by them (hereinafter – Restrictions on Control); the Prime Minister and the Minister may grant a said permit if they are satisfied that nothing in the said Control may prejudice the provision of the Essential Service or detract from the grounds for its designation as an Essential Service said in subsection (a)(1); for the purposes of this subsection, selling shares on a stock exchange, otherwise than by prior agreement with a certain buyer, shall not be deemed a transfer in respect of the transferor's obligation to receive a permit under this subsection, provided that one of the following holds true:
- (1) the transferor is not the Controlling Party of the Essential Service Provider;
 - (2) the transferor is the Controlling Party of the Essential Service Provider and did not cease, as a result of the transfer, to be the said Controlling Party, unless he did not know or could not have known that he will cease to be the Controlling Party as a result of the transfer.
- (b) By an order under subsection (a) –
- (1) the Prime Minister and the Minister may, with the approval of the government, prescribe that some or all of the restrictions, conditions and provisions of subsections (c) and (d) shall apply for a fixed period or in general, all of which as shall be prescribed by the order;
 - (2) the grounds for designating the service as an Essential Service shall be stated.
- (c) The restrictions, conditions and provisions under subsection (b)(1) shall concern some or all of the following:

- (1) a stipulation that no person shall hold 5% or more of the Means of Control in the Essential Service Provider, or at additional rates prescribed by the Prime Minister and the Minister, or Significant Influence in the Essential Service Provider, without prior written consent of the Prime Minister and the Minister, and on conditions that shall be stipulated by them (hereinafter – Restrictions on Control and Holding); the Prime Minister and the Minister may grant consent to the applicant if they are convinced that nothing in the said Significant Influence or in the Holding of Means of Control at the rate requested by it, may prejudice the provision of the Essential Service or detract from the grounds for its designation as an Essential Service said in subsection (a)(1);
- (2) a stipulation that Control of the Essential Service Provider shall be held by a citizen of Israel and a resident thereof, including by setting a maximum rate of Means of Control that shall be held by whoever is not a said citizen or resident (hereinafter – Restriction Concerning Israeli Identity);
- (3) a stipulation that the day-to-day management of the Essential Service Provider and its center of business are in Israel;
- (4) stipulation of a requirement that information be provided to the Prime Minister and to the Minister, as per their demand, on matters related to the provision of the Essential Service, as shall be set out in the demand; nothing in this paragraph shall derogate from any other requirement to provide information, existing under any law;
- (5) a stipulation, for national security reasons, that all or some Officers in the Essential Service Provider, and other functionaries in the Essential Service Provider as determined in the order, shall be citizens of Israel and residents of Israel, and that all or some of them shall have an appropriate security classification, as shall be determined by the General Security Service;
- (6) a stipulation concerning the validity of a transfer, charge or attachment of one of the License Assets required, in the opinion of the Prime Minister and the Minister, in order to ensure the Essential Service, made or placed in violation of the provisions of section 4(D1), vis-à-vis any person who knew or ought to have known thereof;
- (7) a stipulation that proceedings for the Voluntary Winding Up of the Essential Service Provider corporation, any compromise or Arrangement in respect thereof, as well as

- any change or reorganization of the corporation's structure, Merger or Split thereof, require prior approval by the Prime Minister and the Minister;
- (8) a stipulation that no person shall transfer Control, Means of Control or Significant Influence in an Essential Service provider if, as a result of the transfer, the Restrictions on Control or the Restrictions on Control and Holding will be breached, unless the transferee has presented it with consent under this section and the orders issued thereunder;
- (9) a stipulation and the laying down of directives, in accordance with government decisions concerning this matter, in regard to the measures required for the protection of the Essential Service Provider's computerized systems and data bases, that are used for the provision of services and for the operation and control of the computerized systems.
- (d) Where an order said in subsection (a) was issued –
- (1) and¹ a person holds, without the approval of the Prime Minister and the Minister, Control or Means of Control in the Essential Service Provider, exceeding the rate determined under subsection (c)(1) or (2), then it shall be required to sell them in accordance with the provisions under this Law; the holding person or any person acting on its behalf may not exercise the rights derived from the Control or Means of Control held by it, or the right to receive dividends; without derogating from the aforesaid, the Prime Minister and the Minister may prescribe in the order provisions in regard to the manner and time of the sale of the Control or the Means of Control, including provisions concerning the matter of the appointment of a receiver for the sale thereof;
- (2) they may prescribe by the order, with the approval of the government, conditions, directives and restrictions for the Essential Service Provider, as well as ways of supervising and reporting obligation in respect of its activities and contracts, all of which if, in their opinion, are necessary in order to ensure the enforcement of the Restrictions on Control or the Restrictions on Control and Holding, or the Restriction Concerning Israeli Identity, including provisions concerning special reporting on, keeping of records with respect to and registration of those holding its securities, in general or at prescribed rates, or provisions on

¹ The prohibition on exercising a right to receive dividends shall apply to a transfer or acquisition of Control, Significant Influence or Means of Control in the Essential Service provider, made after the commencement of amendment No. 28.

restrictions applying to the allotment of the corporation's securities, as well as restrictions on the use of Means of Control and the rights attached thereto, or on the validity, vis-à-vis the corporation, of acts carried out or decisions taken in violation of the imposed restrictions, by persons who had received approval for Controlling the corporation or for holding Significant Influence or Means of Control in the corporation;

- (3) they may prescribe, by the order, provisions and conditions concerning the holding of Means of Control or Significant Influence in or Control of the Essential Service Provider, including provisions that make the validity all or some transactions in respect thereof conditional on the prior approval of the Minister and Prime Minister, who may refuse to grant it if they suspect that as a result thereof the Restriction on Control or the Restrictions on Control and Holding or the Restriction on Israeli Identity may be violated;
- (3a) the Prime Minister and the Minister may prescribe by the order under this section that a person holding two and a half percent or more of any type of Means of Control in an Essential Service Provider, more than three quarters of the issued share capital of whom is held by the public and the shares of whom are registered for trade on the stock exchange, shall notify the Essential Service Provider, the Minister and the Prime Minister as to its said holdings, as to the persons controlling it and as to any person holding in excess of 10% of any type of Means of Control therein, and also as to the members of the board of directors of any person holding said Means of Control; the Prime Minister and the Minister may prescribe, in order to ensure reporting under this paragraph, restrictions on the use of Means of Control and the rights attached thereto, including on the right to vote at the general assembly or the right to receive dividends.
- (e) The provisions of this section, including the provisions of an order issued thereunder, shall constitute a part of the License.
- (f) For the purposes of this section –
"Means of Control" – (repealed);
"Holding" – including acquisition and both terms together, within the meaning of both terms in the Securities Law, 5728-1968 (hereinafter: "the Securities Law") and including transfer or lien; all of which without derogating from the definition of "Holding" in section 1;

"Significant Influence" – the capability to significantly influence the activity of an Essential Service Provider, such as does not constitute Control and is not deriving from the fact of holding Means of Control, including a said capability derived from a right vested in a person by the Essential Service Provider's articles of association or by a written or oral agreement with the Controlling Party, except when the said right was vested in an Israeli Banking Corporation; for this purpose, "Israeli Banking Corporation" – a banking corporation within its meaning in the Banking (Licensing) Law, 5741-1981, that received a license under paragraph (1) of section 4(a) of the said Law; however, without derogating from the generality of the foregoing –

- (1) a person shall be deemed to hold Significant Influence over a corporation if it has the right to appoint an Officer of the Essential Service Provider;
- (2) a person shall be deemed to hold Significant Influence over an Essential Service Provider if it holds twenty-five per cent or more of any type of Means of Control in that Essential Service Provider.

"Voluntary Winding Up" – within its meaning in the Companies Ordinance [New Version], 5743-1983 (hereinafter: "the Companies Ordinance");

"Arrangement" – within its meaning in the third chapter of the ninth part of the Companies Law;

"Merger" and "Split" – within their meaning in the Income Tax Ordinance;

"Control" – (repealed).

4E. **Operation of an Essential Service by the Appointee**

- (a) If a Licensee ceases to provide a service designated as an Essential Service under section 4D, or the Prime Minister and the Minister believe that there is reasonable suspicion that a Licensee will cease to provide a said Essential Service, and the Prime Minister and the Minister conclude that it is necessary to ensure continuity in the provision of the Service or to prevent its disruption or cessation, they may, with the approval of the government, direct a Licensee, by an order, to provide the Service under the license, for a period and on conditions that shall be stipulated by them.
- (b) If an order was issued under subsection (a), and the person to whom the order applies does not comply with its provisions, the Prime Minister and the Minister may, by order, appoint a person to be in charge of providing the Essential Service and managing the Telecommunication Facilities by means of which the Essential

- Service is provided (hereinafter – the Appointee), and they may set out his duties in the order.
- (c) In carrying out his duties under this section, the Appointee shall act in accordance with the instructions of the Prime Minister and the Minister, and he shall have all of the powers required in order to ensure the maintenance of the Essential Service, including the powers required for the management of the corporation.
 - (d) If the provision of an Essential Service ceased because the effect of a License lapsed or due to the revocation or limitation of a License, and the Prime Minister and the Prime Minister conclude that it is necessary to ensure the continuity of the provision of the Service, and that the cessation of the Service may substantially and immediately impair the Essential Service, the Prime Minister and the Minister may act as aforesaid in subsections (a) through (c), and if they have concluded that in the circumstances of the matter the Essential Service cannot be maintained by the Licensee, they may appoint the Appointee immediately.
 - (e) The appointment of the Appointee under this section shall be for a period that shall be prescribed by the Prime Minister and the Minister, and the said period shall not exceed one year; the Prime Minister and the Minister may extend the appointment for one additional period, which shall not exceed one year, and they may also replace them at any time.
 - (f) Nothing in the provisions of this section shall derogate from the right of the Licensee to receive fair user fees for the use of its facilities, and compensation from the State, subject to any law or to its obligations under its license, for damages caused thereto due to the appointment of the Appointee.

4E1. **Appointment of an Observer**

- (a) In an order under section 4D, issued in regard to an Essential Service Provider that is a government company or a government subsidiary, within the definition thereof in the Government Companies Law, 5735-1975 (hereinafter – the Government Companies Law), The Prime Minister and the Minister may stipulate that an observer be appointed to a meetings of the board of directors of the Essential Service Provider and its committees (in this section – the Observer).
- (b) The Observer shall be an employee of the State of Israel qualified to serve as a director pursuant to Chapter C of the Government Companies Law.
- (c) Notices of meetings of the board of directors and its committees shall also be delivered to the Observer, and he may participate in every meeting of the board of directors and its committees.
- (d) The Observer shall have the same right to receive information from the Essential Service Provider as that of a Director.

- (e) If the Observer concludes that the Essential Service Provider is about to make a decision which conflicts with a provision of the order or with a provision under section 13, or with the provisions of section 11 of the General Security Service Law, 5762-2002 (hereinafter – the General Security Service Law), he shall promptly so notify the Essential Service Provider, the Minister and the Prime Minister.
- (f) If the Observer gave notice as aforesaid in subsection (e), the Essential Service Provider may not adopt the decision during ten days after the Observer's notice, and if it was adopted, it shall have no effect.
- (g) If the Prime Minister and the Minister, within the ten days said in subsection (f), gave notice that the decision said in subsection (e) violates any provision of the order, any provision under section 13, or any provision of section 11 of the General Security Service Law, the Essential Service Provider may not adopt the decision and if it was adopted, it shall have no effect.
- (h) The provisions of this section shall apply even if the Essential Service Provider ceases to be a government company or a government subsidiary, within the definition thereof in the Government Companies Law, and they shall also apply to companies controlled by the Essential Service Provider as said in this section.

4E2. Disclosure of confidential information

- (a) If an order was issued under section 4D, the Prime Minister and the Minister may prescribe by the order that notwithstanding anything provided in any law and subject to the provisions of sections 19(a)(2) and 36C(b) of the Securities Law, to the extent that they apply to the Essential Service provider and to restrictions, conditions or provisions imposed thereon:
 - (1) a document or information as determined by the Prime Minister and the Minister in the order shall not be disclosed or revealed to certain Officers or shareholders of the Essential Service Provider, or to any person who has Significant Influence over the Essential Service Provider, all of which as prescribed by them;
 - (2) the disclosure or delivery of a document or information as determined by the Prime Minister and the Minister shall be restricted, in a manner prescribed by them, or the delivery thereof to any person who was not authorized, in writing, by the Prime Minister and the Minister or by a person appointed by him for this purpose shall be prevented.
- (b) Where the Prime Minister and the Minister prescribed restrictions under subsection (a) on the disclosure of information to shareholders

or Officers, the said shareholders or Officers shall be, notwithstanding anything provided in any law, exempt, in case of a breach, of any liability imposed thereupon under any law, if that breach was caused solely due to their not having received the information withheld therefrom as aforesaid, and the said lack of disclosure of information shall not be deemed to be a breach of any duty under any law, all of which subject to the provisions of sections 19(a)(2) and 36C(b) of the Securities Law, to the extent that they apply to the Essential Service provider and to restrictions, conditions or provisions imposed thereon.

4E3. Provisions on enforcement and the effect of acts

- (a) Without derogating from the provisions of any law, if a person violates an order or a provision issued under sections 4D through 4E2, then it shall be liable for compensation or indemnification for any damage or expense caused to the State, the Essential Service provider or any third party in consequence thereof.
- (b) Any act carried out by the Essential Service Provider in violation of the provisions of sections 4D through 4E2, or in violation of an order or of a provision thereunder, shall have no effect; nothing in this provision shall derogate from rights acquired by any third party, if he did not know or could not have known that the act was carried out in violation of the said sections or in violation of the order or a provision thereunder.
- (c) Nothing in the existence of a criminal proceeding under this Law shall derogate from any right or power to institute other proceedings under this Law or the orders thereunder.
- (d) The District Court may, at the request of the State, order any person who violated provisions, conditions or restrictions stipulated under section 4D through 4E2, or orders issued thereunder, to cease the violation thereof, or to comply therewith, as the case may be.

4E4. Restrictions on the issuance of an order under another law

If an order was issued under sections 4D through 4E2, no order shall be issued under another law, including under Chapter H2 of the Government Companies Law, on the same or on similar grounds.

4F. Service for the general public

- (a) The Minister may prescribe a list of basic Telecommunication Services which should be provided to the general public (hereinafter – a Basket of Services for the General Public).
- (b)

- (1) If the Minister prescribed a Basket of Services for the General Public, he may direct a holder of a General License to provide a service under its license, which is included in the Basket, in areas or localities additional to those in which it provides its services.
 - (2) The Minister shall direct as said in paragraph (1) only after having considered alternatives in this regard, and after being satisfied that the public welfare requires it, and having regard to each of the following:
 - (a) competition in the field of Telecommunications;
 - (b) The needs of the public residing in sparsely populated areas, that are remote from the center of Israel;
 - (c) the scope of the provision of the services by the Licensee, and its technological and financial capabilities;
 - (3) a directive under this subsection shall be issued after the Licensee has been afforded an opportunity to voice its contentions.
- (c)
- (1) If the Minister is convinced that all of the following hold true:
 - (a) significant competition has been established in the provision of a service included in the Basket of the Services for the General Public;
 - (b) areas exist in which a Service included in the Basket of Services for the General Public is provided by one or two holders of a General License;
 - (c) the cost of the provision of a said service by the said holder of a General License nationwide exceeds the benefit deriving to it from the provision of that service, and therefore the intervention of the Minister is required;he may determine that another Licensee, who provides the same service not nationwide, shall participate in paying for the cost of providing the service in the said areas;
 - (2) if the Minister has so determined, he may prescribe provisions regarding the manner of realization of the participation in the funding and its amount;

- (3) a determination under this sub-section requires the consent of the Minister of Finance and the approval of the Finance Committee of the Knesset.
- (d) The provisions of this section shall also apply to a General License applicant, *mutatis mutandis*.
- (e) Nothing in the provisions of this section shall derogate from the entirety of the duties of a holder of a General License, including provisions on its obligations to provide service to any person so requiring, under its license or under any law.

4G. Conditioning one service on another

No Licensee and no Broadcasting Licensee shall condition, directly or indirectly, the provision of Service on the purchase or receipt of another Service, provided by it or by another, or in not receiving Service from another Licensee or from another Broadcasting Licensee, unless the Minister, or the Council, as the case may be, permitted it to do so, subject to conditions or unconditionally; in this section, "Service" – Telecommunications Services or Broadcasts.

4H. The right to purchase Internal Wiring

- (a) In this section –
"Licensee" – including a holder of a Satellite Broadcasting License as defined in section 6QQ;
"Satellite Terminal Equipment", "Reception Dish" – as defined in Chapter B2;
"Internal Wiring" – such part of the Access Network as is installed on a person's premises and on joint premises, and as is intended for the sole use of that person.
- (b) Without derogating from the provisions of this section, a person said in section (a) may purchase the Internal Wiring from a Licensee, in consideration for a payment, if it is owned by the Licensee, and provided that the Internal Wiring is installed on premises used solely for residence.
- (c) If a person purchased the Internal Wiring, no other Licensee or Broadcasting Licensee shall provide Telecommunications Services or Broadcasting Services to him, which involve use of the Internal wiring, unless he concludes that the purchaser paid the Licensee who owned the Internal Wiring for the purchase.
- (d) Purchase of the Internal Wiring as aforesaid in subsection (b) may be made through another licensee, or another Broadcasting Licensee, if so agreed between it and the person on the premises of whom the Internal Wiring is installed; if there is said agreement, the other

Licensee or the other Broadcasting Licensee shall so notify the Licensee who owns the Internal Wiring, and shall be responsible for the payment for the purchase thereof, and the provision of subsection (c) shall not apply.

- (e) The payment for the Internal Wiring shall be as follows:
- (1) in condominiums – 120 NIS, including V.A.T., and if the purchase was made in the manner said in subsection (d), this amount shall be paid in 12 equal payments;
 - (2) on premises that are not condominiums – an amount determined by the Minister with the approval of the Committee;
 - (3) the Minister, with the approval of the Finance Committee, may change the amount said in subparagraph (1), and he may also determine the manner in which they shall be updated and the ways for the payment thereof, and he may determine different amounts, according to such criteria as he may set out, including for types of premises.
- (f) The provisions of this section shall also apply to the purchase of Satellite Terminal Equipment, excluding Reception Dishes, unscramblers and encoders, if it is owned by a holder of a Satellite Television Broadcasting License.

4I. **Offensive Sites and content on the Internet**

- (a) In this section –
"Offensive Site" – an internet website, the main content of which is Offensive Content;
"Offensive Content" – each one of the following:
- (1) the display of any obscene publication, within its meaning in the Penal Law, including –
 - (a) the display of sexual relations involving violence, abuse, debasement, degradation or exploitation;
 - (b) the display of sexual intercourse with a minor or with a person purporting to be a minor;
 - (c) the display of a person or any of his organs as an object that is available for sex;
- and all where the displayed content is clearly not of artistic, scientific, news, educational or advocacy value which justifies, in the circumstances of the matter, the display thereof;

- (2) racial or nationalistic incitement;
- (3) gambling;
- (4) games that include violent acts;

“Internet Access Provider” – anyone who has received a License pursuant to this Law or anyone acting by virtue of a General Permit pursuant thereto that provides internet access service, including the holder of a General License for the provision of mobile radio telephone services and the holder of a Mobile Radio Telephone via another Network License, who provide the said service through Mobile Terminal Equipment.

- (b) The Minister shall set out, in regulations or in the License of an Internet Access Provider, provisions concerning the obligation of an Internet Access Provider to inform its subscribers of –
 - (1) offensive sites and Offensive Content on the internet and ways of protection therefrom, including technological means intended for filtering sites or said content;
 - (2) additional hazards arising from use of the internet and possible protection from therefrom, as shall be determined by the Minister with the approval of the Economic Affairs Committee of the Knesset.
- (c) An Internet Access Provider shall inform its subscribers, in accordance with subsection (b), in all of the following ways:
 - (1) it shall mail to the subscriber a printed information pamphlet, upon the execution of an agreement for the receipt of internet access service and upon the renewal thereof, as well as once every year, at the very least, during the term of the agreement;
 - (2) it shall publish the information on the internet website of the Internet Access Provider;
 - (3) it shall present the information in the agreement signed with the subscriber;
 - (4) it shall provide the information to the subscriber through the Internet Access Provider's customer service representative.
- (d) An Internet Access Provider shall present to its subscribers, in the manner determined by the Minister in regulations or in the License, and shall provide to any subscriber, at his request, an efficient service for filtering Offensive Sites and Offensive Content on the Internet, having due regard to accepted practices in the field; no Internet Access Provider shall charge a subscriber a fee for a filtering

service under this section, in addition to the payment it charges him for the internet access service.

5. **Interconnection and Use of another's Telecommunications Facility**

(a) In this section –

"Franchisee" – (repealed);

"Licensee" – as defined in section 1; however, for the purposes of subsections (a) through (e) and (i), excluding a person who has received a Special License;

"Another Licensee" – for the purposes of subsections (f) and (g), a Licensee, including a holder of a Satellite Broadcasting License as defined in section 6QQ;

"Interconnection" - A connection between a Public Telecommunication Network of one Licensee and a Public Telecommunication Network of another Licensee, in either a physical or logical manner, which enables the transfer of Telecommunication Messages between the Licensees' Subscribers or the provision of services by one Licensee to the subscribers of the other Licensee;

"Use" – for the purposes of subsections (f), (g) and (h) – including the following:

- (1) the grant of access to a Telecommunication Facility of another Licensee, including a Public Telecommunication Network or a Access Network or any part of the above, and the possibility of using them;
- (2) allowing the installation of a Licensee's Telecommunication Facility in a Telecommunication Facility of another Licensee or on its premises;

"Public Telecommunication Network" – (repealed).

(b) The Minister may, for the purpose of ensuring competition in the field of Telecommunications and the standard of services therein, and having due regard to the public interest and to the interests of the Licensees concerned in the matter –

- (1) stipulate that a Licensee must enable Interconnection to its Public Telecommunication Network, and issue directives with respect to the manner of carrying out Interconnection and scope thereof, as well as with respect to actions, services and arrangements which are incidental to effecting Interconnection and the payments therefor, including the provision of billing and collection services by one Licensee

- to another Licensee, or the transfer of information between Licensees, to the extent the information is required for the provision of services by another Licensee to its subscribers or for the provision of services and for the collection of payments by one Licensee from the subscribers of another Licensee; a stipulation or the issue of directives under this paragraph may be prescribed in a license, by an administrative order or by regulations, as the case may be;
- (2) prescribe by regulations, with the consent of the Minister of Finance, payments, maximum payments or minimum payments for Interconnection, as well as provision on the manner of calculation of the payments, their components and the proportions thereof, and provisions on the manner of linkage of the payments to the consumer price index or to a different index, including the possibility of determining an efficiency coefficient for a Licensee, at a rate and in the manner determined in regulations.
- (b1) The prescribing of payments or the issuing of directives under subsection (b) (in this subsection – Payments for Interconnection) may be done, *inter alia*, based on one of the following:
- (1) cost, according to a such calculation method as the Minister shall direct, with the addition of reasonable profit;
- (2) a point of reference deriving from one of the following:
- (a) the payment for services provided by the Licensee;
- (b) the payment for other comparable services;
- (c) payments said in subparagraphs (a) or (b) or payments for Interconnection or a service corresponding thereto, in other countries.
- (c) If no provisions were prescribed under subsection (b)(1), neither generally nor concerning a particular matter, the Licensees concerned in the matter shall stipulate the terms of the Interconnection in an agreement, and in the absence of agreement, the Minister may issue directives thereto in accordance with his authority under subsection (b)(1).
- (d) Where mandatory Interconnection was prescribed under subsection (b)(1) and no payments were fixed in regulations under subsection (b)(2), a Licensee may demand a reasonable price for Interconnection to its Public Telecommunication Network; in the absence of agreement between the Licensees concerned in the matter, the Minister shall fix the price for the Interconnection, according to a calculation method that shall be prescribed by him, and the said method may be determined, *inter alia*, as said in

subsection (b1); however, the Minister may direct that in under the circumstances of the matter each party shall bear its own expenses with regard to this matter; the Minister's directive shall be issued within a reasonable time, considering the circumstances of the matter; a Minister's directive under this subsection may be appealed to the District Court within 45 days from the date on which notice thereof was delivered to the Licensee; the Court's judgment may be appealed if the appeal is on a question of law. In this subsection, "the Minister" including any person authorized by the Minister.

- (d1) The Minister may direct, with regard to an absence of agreement said in subsection (d), that the carrying out of Interconnection in accordance with the provisions prescribed under subsection (b)(1) shall not be delayed, and he may also issue any such other directive as he may deem appropriate under the circumstances of the matter, including directives concerning partial payments; the Minister shall decide whether to direct as aforesaid, and he shall issue this directives within a reasonable time not exceeding one year.
 - (e) The reasonable price which a Licensee may demand as aforesaid in subsection (d) shall be non-discriminatory; however, any preference allowed under any law or preference under special circumstances shall be enabled, in accordance with conditions stipulated in this regard in its license.
 - (f) Without derogating from the aforesaid in subsections (a) through (e), where the conduct of Telecommunication Activities or the provision of Telecommunication Services by one Licensee involved the Use of a Telecommunication Facility of Another Licensee, the provisions of this section shall apply to the arrangement of the said Use, with the necessary changes, and in the said subsections, the word "Use" shall replace the word "interconnection".
 - (g) Where the conduct of broadcasting by a Broadcasting Licensee involved the Use of a Telecommunication Facility of Another Licensee, including Use of a Broadcasting HeadEnd, the provisions of subsections (a) through (e) shall apply to the arrangement of the said Use, *mutatis mutandis*, and in the said subsections:
 - (1) the words "in the field of Telecommunications and in the field of Broadcasting, and the standard of services therein" shall replace the words "in the field of Telecommunications and the standard of services therein";
 - (2) the word "Use" shall replace the word "interconnection";
- in this subsection, "Broadcasting Licensee" – excluding holders of a Special Satellite Broadcasting License.
- (h) Without derogating from the aforesaid in section 4H and in subsections (f) and (g), where the conduct of Telecommunication Activities, the provision of Telecommunication Services or the

conduct of broadcasting by a Licensee or by a Broadcasting Licensee involved the Use, including joint use by different Licensees, of a Telecommunication Facility installed on the premises of a subscriber, the provisions of subsections (a) through (e) shall apply to the arrangement of the said Use, *mutatis mutandis*, and in the said subsections, the words "Use, including joint Use" shall replace the word "Interconnection".

- (i) Without derogating from the provisions of this section, and having due regard, *inter alia*, to the provisions of section 6HH, the Minister may issue directives, in regulations or in a license or in administrative orders, concerning a Licensee's obligation to designate capacity in its Public Telecommunication Network for the transfer of the Broadcasts or Telecommunication Services of another, and he may direct a said Licensee to connect more than one Broadcasting HeadEnd of persons who had received licenses therefor.

5A. **Numbering**

- (a) In this section –
 - "Allocation" – the allocation of a range of telephone numbers for different uses and for different Telecommunication Services;
 - "Assignment" – an approval for the use of telephone numbers, including any change in or revocation of the said approval, as well as the transfer of telephone numbers from one Licensee to another;
 - "Telephone Number" - a group of numbers in a particular order, including a prefix which, when dialed, is intended to enable the transfer of a Telecommunication Message to particular Terminal Equipment or access to a particular Telecommunication Service;
 - "Number Portability" – the possibility granted to a Licensee's subscriber to retain the Telephone Number assigned to him upon becoming a subscriber of another Licensee in the same dialing area, in respect of the same type of Telecommunication Service;
 - "Numbering Plan" – a plan for the Allocation and Assignment of Telephone Numbers, for mandating dialing rules and Number Portability or any part of the foregoing.
- (b) The Minister may, for the purpose of ensuring competition in the field of Telecommunications and the standard of services therein –
 - (1) issue instructions to a Licensee in respect to the Allocation and Assignment of Telephone Numbers and in respect to dialing rules;
 - (2) formulate and administer a Numbering Plan and issue instructions to a Licensee in respect to the operation and implementation of the Numbering Plan.

- (c) The Minister may prescribe, with the consent of the Minister of Finance and with the approval of the Finance Committee of the Knesset, fees for the Assignment of Telephone Number to Licensees, insofar as required for ensuring efficient use of the numbering resources.
- (d) Without derogating from the provisions of any law, including provisions in a License granted under this Law, the Minister may direct that each Licensee shall bear some or all of the expenses incurred by it due to its compliance with instructions issued under subsection (b), and in respect to Number Portability, if any joint expenses are incurred by the Licensees concerned in the matter, he may mandate that the Licensees bear them in such manner as he may direct.
- (e)
 - (1) The Minister shall formulate a Numbering Plan concerning Number Portability in respect of a holder of a General License for the provision of Domestic Fixed-Lined Telecommunication Services and also in respect of a holder of a General License for the provision of mobile radio telephone Services (in this subsection – the Numbering Plan), and he shall issue instructions to holders of General Licenses in respect to the implementation and operation of the Numbering Plan by 8 Elul, 5766 (1 September 2006); the payment structure in this matter shall be prescribed by the said date by the Minister and the Minister of Finance, in such manner as shall ensure complete transparency and the prevention of any discrimination.
 - (2) The Minister and the Minister of Finance may delay, by order, with the approval of the Economic Affairs Committee of the Knesset, the implementation and operation of the Numbering Plan, for a period not exceeding three months, if they conclude that a real need therefor has arisen, and for special reasons.
 - (3) The Minister shall report to the Economic Affairs Committee of the Knesset on the Numbering Plan that he had prepared.
- (f) The holder of a General License shall provide Number Portability to any subscriber requesting it, within one business day or within a shorter time set by the Minister, and shall carry out, without charge to the subscriber or to any other Licensee, all of the acts required of it for this purpose under this section.

5B. Blockage of SMS Services

- (a) A Licensee shall enable, at the request of a subscriber, the blockage of SMS Services.
- (b) If a subscriber requested a Licensee to block all or some SMS Services, the Licensee shall block the receiving or sending of SMSes, as requested.
- (c) If an SMS was sent to a subscriber who had requested the blockage of SMS Services, the Licensee shall notify the sender of the SMS of the failure to transfer it, in which the addressee's telephone number or name shall be indicated.
- (d) No Licensee shall charge a subscriber for blocking or renewing SMS Services, for the notice sent to the sender of the SMS of the failure to transfer it, or for an SMS sent by a subscriber to a person at the request of whom the receipt of an SMS by him had been blocked under this section.
- (e) The Minister may –
 - (1) prescribe provisions as to the Licensee on whom the obligation to give a notice said in subsection (c) shall be imposed and on the manner of the giving thereof;
 - (2) apply the provisions of this section to an SMS which includes video or audio as well.
- (f) In this section –
 - "Licensee" - a holder of a General License for the provision of Domestic Fixed-Lined Telecommunication Services or for the provision of mobile radio telephone services, and a holder of a Mobile Radio Telephone via another Network License;
 - "SMS" – a Telecommunication Message consisting of writing, including signals or signs, transferred by means of a Public Telecommunication Network to the Terminal Equipment of an addressee or a group of addressees;
 - "SMS Services" – SMS sending or SMS receiving services.

5C. **Roaming Services**

- (a) In this section –
 - "Holder of a New License" – any one of the following:
 - (1) a person who first received a General License for the provision of mobile radio telephone services on 22 Elul 5770 (1 September 2010) or thereafter;
 - (2) a person whose existing license has been extended, following its selection via tender by the Tenders Committee appointed by the Minister for this purpose on 17 Iyar 5769

(1 May 2009), or by any other Tenders Committee that has replaced it;

"Holder of an Existing License" - a person who received a General License for the provision of mobile radio telephone services prior to 22 Elul 5770 (1 September 2010), and the aforesaid in paragraph (2) of the definition of "Holder of a New License" does not hold true for it;

"Use" – as defined in section 5(a);

"Roaming Services" – Allowing a Holder of a New License to Use of the Public Telecommunication Network of the Holder of an Existing License in order for the holder of a New License to provide mobile radio telephone services to its subscribers nationwide; "Maximum Payment for Interconnection" – the maximum payment a holder of an Existing License may charge a holder of a New License for Interconnection, in accordance with the regulations made under section 5(b)(2), and in regard to the transfer of data, for every 1 megabyte – a price not exceeding 65% of the said maximum payment set per minute of a voice call.

- (b) Every Holder of an Existing License shall be required to provide Roaming Services to a Holder of a New License if both of the following hold true:
- (1) the Holder of the New License had requested the receipt of Roaming Services from all of the Holders of Existing Licenses, and no agreement has been reached between it and at least one Holder of an Existing License, on the terms for the provision of Roaming Services as aforesaid;
 - (2) the Minister has certified that the Holder of the New License can provide, in accordance with the License first granted thereto or with the extension to its existing License, as the case may be, mobile radio telephone services to an area in which at least 10% of the population resides, by means other than receiving Roaming Services (in this section – the Minister's certification); the Minister's said Certification shall not be issued unless at least 30 days have passed from the date on which the Holder of the New License made its request to the Holder of the Existing Licenses as said in paragraph (1).
- (c) A Holder of an Existing License shall provide Roaming Services to the Holder of the New License under the provisions of subsection (b) for a period of seven years from the date of the Minister's Certification; the said Roaming Services shall be provided in a manner enabling the Holder of the New License to provide mobile

radio telephone services to its subscribers, the quality and terms of which shall be the same as those provided by the Holder of the Existing License to its subscriber, and to comply with instructions given to it under section 13.

- (d) Notwithstanding the provisions of subsection (c), if four years have passed from the date of the Minister's Certification, and the Minister or any person empowered by him for that purpose notified the Holder of the New License and the Holders of the Existing Licenses, immediately before the end of the said period, that the Holder of the New License cannot provide, in accordance with the License first granted to it or with the extension to its existing License, as the case may be, mobile radio telephone Services to an area in which at least 40% of the population resides, by means other than Roaming Services, the obligation under subsection (b) shall no longer apply to the Holders of the Existing Licenses, starting from 45 days from the date on which the Minister published notice thereof to the public.
- (e) The Minister and the Minister of Finance may extend, in respect to a particular Holder of a New License, any of the periods said in subsections (c) and (d), for one additional period not exceeding three years, if they found that the said extension is required for reasons independent of the Holder of the New License.
- (f) The Minister shall stipulate, in a General License for the provision of Mobile Radio Telephone services, the conditions for the provision of Roaming Services under this section and the scope thereof, including an obligation of the Licensees concerned in the matter to provide information to one another, insofar as the said information is required for the purpose of the provision of the said services; the Minister shall also prescribe, with the consent of the Minister of Finance, regulations concerning the amount of the payment for Roaming Services provided under this section, and the times of payment thereof; the first said regulations shall be made by 8 Shvat, 5772 (1 February, 2012).
- (g) Until the date of the prescription of regulations under subsection (f) (in this section – the Determining Date), a Holder of an Existing License may demand a price for the Roaming Services not exceeding the maximum payment for Interconnection.
- (h) The amount of the payment set under subsection (f) shall also apply to Roaming Services provided under this section, until the Determining Date; the difference between the payments paid under subsection (f) and the payments payable under subsection (f) shall be paid by the Holder of the New License or the Holder of the Existing License, as the case may be, within 60 days from the Determining Date; in the calculation of the said difference, to the payments paid under subsection (g) shall be added linkage differentials and interest within their meaning in the Adjudication of Interest and Linkage

Law, 5721-1961, from the date of the payment thereof until the date of the payment of the difference.

- (i) Nothing in the provisions of this section shall derogate from the powers vested in the Minister under section 5, insofar as they do not conflict with the provision under this section.

6. **Revocation, limitation or suspension of a license**

The Minister may, at any time, revoke a License, limit it or suspend it, as the case may be, in each of the following instances, provided the Licensee has been given a reasonable opportunity for a hearing:

- (1) the Licensee has requested cancellation of its License;
- (2) the Licensee has breached a material condition of the License;
- (2a) the Licensee has breached or prevented the carrying out of an instruction given under section 11(b), 13 or 13A;
- (2b) the Licensee has breached one of the terms of the License (other than a material term), and has not remedied the breach as instructed by the Minister;
- (3) the Licensee has not commenced the provision of a service or ceased to provide it;
- (4) the Licensee has been declared bankrupt;
- (5) the Licensee has decided on voluntary liquidation or a receiver was appointed to it by the court, or the court has ordered that it be liquidated;
- (6) the conduct of Telecommunication Activities or the provision of Telecommunication Services by the Licensee did not meet appropriate standards for and levels of performance of similar Activities or Services, under rules prescribed under this law;
- (7) reasons concerning the public welfare indicate the need to revoke, limit or suspend the License.

CHAPTER B1: CABLE TELEVISION BROADCASTING AND TELEVISION BROADCASTING FOR SUBSCRIBERS

Article A: Interpretation

6A. **Definitions**

In this Chapter –

"Area" – a geographical area in which a holder of a Cable Broadcasting License is obligated, by the terms of its License, to provide Broadcasts;

"Means of Control" – (repealed);

"Franchisee" - (repealed);

"Interested Party" - (repealed);

"The Committee" – the Economic Affairs Committee of the Knesset;

"The Council" – the Council for Cable and Satellite Broadcasting appointed under section 6B;

"Local Production" – a television program produced for broadcasting in Israel, the majority of the production staff that took part in the production and carrying out of which being residents of Israel who permanently reside in Israel, excluding news, current affairs programs, sports events and fillers;

"Local In-house Production" - a Local Production produced by a holder of a Cable Broadcasting License or a corporation in which a holder of a Cable Broadcasting License is an Interested Party, or a person who holds 10% or more of a particular type of Means of Control in a said Licensee, or a Sister Company, within its meaning in section 6L1, of a said Licensee, whether directly or indirectly, or a Channel Producer producing on its behalf;

"Purchased Local Production" – a Local Production other than one of the following:

- (1) a Local In-house Production;
- (2) a production of a government institution;
- (3) a production of any other body broadcasting, under any law, television Broadcasts to the public or to part thereof, or a production of a corporation in which another said body is a Controlling Party or Interested Party, or a production of a corporation that is, directly or indirectly, an Interested Party in a said other body;

"Basic Broadcast Time" – the time resulting from the multiplication of three broadcasting hours by five in-house broadcasting channels of a holder of a General Cable Broadcasting License, on each broadcasting day;

"First Run Broadcast" – the first run broadcast of a television program in Israel;

"Channel Producer" – a person that produces a broadcasting channel, which includes planning, producing, purchasing and lining up broadcasts, and edits them for the purpose of preparing them to broadcasting;

"Operation Hub" – (repealed);

"Subscriber" – any person who has entered into an agreement with a holder of a Cable Broadcasting License for the purpose of receiving its Broadcasts and services;

"Dedicated Channel Broadcaster" – a person who has received a Special Cable Broadcasting License under section 6HH1, for the purpose of broadcasting a Dedicated Channel;

"Dedicated Channel" – a broadcasting channel with unique characteristics such as language, culture or heritage, a channel primarily intended for a particular sector of the public, or a channel primarily dedicated to a single subject;

"General Cable Broadcasting License" – a license granted under this Chapter for the provision of Cable Broadcasts to Subscribers, which include a variety of television channels, including On-Demand Broadcasts and including the Broadcasts of a holder of a Special Cable Broadcasting License;

"On-Demand Broadcasting License" – a license granted under this Chapter to broadcast On-Demand Broadcasts;

"Cable Broadcasting License" – a General Cable Broadcasting License, an On-Demand Broadcasting License or a Special Cable Broadcasting License;

"Special Broadcasting License" - a license granted under this Chapter to broadcast a single channel of Cable Broadcasts, through a holder of a General Cable Broadcasting License;

"Interface Equipment" – (repealed);

"Cable Network" – (repealed);

"Cable Broadcasts" – Broadcasts distributed by means of a Broadcasting HeadEnd and Public Telecommunication Network;

"On-Demand Broadcasts" – Cable Broadcasts broadcast on one or more channels, which can be viewed at any time as per the Subscriber's choice, distributed by means of broadband infrastructure and which are provided with assured quality and at the accepted standard of service for broadcasting in the digital method;

"Broadcasts" – (repealed);

"Broadcasting Station" – (repealed).

Article B: The Council for Cable and Satellite Broadcasting

6B. **Appointment of the Council, its composition and its work procedure**

- (a) The government shall appoint a Council for Cable and Satellite Broadcasting.
- (b) The Council shall consist of thirteen members who shall be suggested by the Minister to the government, and who are:
 - (1) six representatives of the government who are employees of the State, one according to the recommendation of the Minister of Culture, one according to the recommendation of the Minister of Finance and three according to the recommendation of the Minister of Communications;
 - (2) seven representatives of the public, of whom two were recommended by Union of Local Authorities, two represent, in the Minister's opinion, the consumers, one, in the Minister opinion, represent the artists and creators in Israel, and two are representatives of bodies in the field of education and culture, recommended by the Minister of Culture.
- (c) The Chairperson of the Council shall be the representative of the Minister of Communications, and he may sign rules prescribed, licenses granted and decision adopted by the Council, on its behalf.
- (d) The Minister shall make regulations concerning the service of the members of the Council, and, *inter alia*, in regard to restrictions in

regard to the appointment, the term of office and its expiry and the appointment of a substitute, and in regard to the reimbursement of expenses to members of the Council for the payment of subscription fees to Broadcasting Licensees supervised by the Council.

- (e) The Council may prescribe its own rules of procedure, as far as those were not prescribed by regulations made by the Minister in this regard.

6C. Obligation of full disclosure and prohibition on contracting

- (a) A member of the Council who is aware that he has entered or is involved, or may enter or may be involved, directly or indirectly, on his own or through his Relative, agent or partner, into or in a transaction or a matter up for discussion in the Council or in one of its committees, shall inform the Chairperson of the Council thereof, in writing, immediately after he becomes aware that the said transaction or matter are up for discussion, and he shall not attend the discussions of the Council or of a said committee on that transaction or matter, and shall not participate in a decision relating to or concerning them.
- (b) No member of the Council or Relative, agent or partner thereof, or corporation in which one of the aforesaid is an Interested Party or manager or a senior executive worker, shall enter into a contract or transaction with the holder of a Cable Broadcasting License; however, the Council, by a majority of two thirds, may permit the contractual relationship on conditions that it shall stipulate; a said permit shall require the Minister's approval.
- (c) In this section, "Relative" – a spouse, parent, son, daughter, brother, sister and the spouses thereof.

6D. Application of laws on members of the Council

Members of the Council who are not employees of the State shall be deemed to be employees of the State for the purposes of the following statutes:

- (1) the Knesset Elections Law [Consolidated Version], 5729-1969;
- (2) The State Service Law (Restrictions on Political Party Activity and Fundraising), 5719-1959;
- (3) the Public Service Law (Gifts), 5740-1979;
- (4) the Penal Law, 5737-1977 – the provisions concerning public servants;
- (5) the Evidence Ordinance [New Version], 5731-1971;
- (6) the Torts Ordinance [New Version].

6E. Roles of the Council

The following are the roles of the Council:

- (1) to set policies on –
 - (a) the classes of Broadcasts and the subjects, content, standard, scope and times thereof, including approving channels for broadcasting and the cancelling thereof;
 - (b) the performance of community Broadcasts;
 - (c) the encouragement of the production of original-local programs, including through broadcasting them in a maximum number of areas;
 - (d) the supervision of the performance of the Broadcasts provided by holders of Cable Broadcasting Licenses, having regard to the classes of broadcasts and the scope thereof, including supervising the fulfillment of the marking obligation and the obligation to provide information, and of the prevention of the broadcasting of commercials or promos the broadcasting of which by holders of Cable Broadcasting Licenses is prohibited under the provisions of the Classification, Marking, and Prohibition of Harmful Broadcasts Law, 5761-2001, as well as to supervise the performance of obligations under the Television Broadcasts Law (Subtitles and Sign Language), 5765-2005;
 - (e) conditions and restrictions concerning content exclusivity;
 - (f) ethics in Broadcasting and consumer protection in matters which are within the scope of the Council's authority under this Law;
- (2) to publish tenders for the grant of Cable Broadcasting Licenses;
- (3) to serve as the tenders committee in tenders said in paragraph (2);
- (4) (repealed);
- (5) to prescribe rules –
 - (a) on the matters set out in paragraph (1);
 - (b) on some or all of the broadcast schedule of holders of Cable Broadcasting Licenses;
- (6) to grant licenses in accordance with its authority under section 6H;
- (7) to approve cooperation between the Broadcasting Licensees in the field of broadcasting and Broadcasts; however, nothing in a said approval shall exempt from the requirement to obtain approval or a permit under any other law.

6E1. **Local Productions**

- (a)
 - (1) at least 10% of the total Basic Broadcast Time broadcast annually by holders of General Cable Broadcasting Licenses' shall be allocated to Local Productions, on topics that are not unique to a particular area, that shall be produced specially for the purpose of broadcasting them under this section, and that shall be broadcast as a First Run Broadcast;
 - (2) 50% of the broadcasts said in paragraph (1) shall be Purchased Local Productions.
- (a1) Without derogating from the aforesaid in subsection (a), the Council shall require a holder of a General Cable Broadcasting License to invest a monetary sum at a rate of up to 12% of its annual income from subscription fees, which shall be no less than 8% of that income, for the production or purchase of Local Productions for First Run Broadcasts; in determining the amount under this subsection, the Council may take into account, among its other considerations, the financial state of the said Licensee in its activity in the field of Broadcasts.
- (a2) The Council may condition the grant of more than one Special Cable Broadcasting License to the same holder on requiring it to invest a monetary sum at a rate that shall be determined by it, which shall not exceed 12% of its income from the Broadcasts, for the production or purchase of Local Productions for First Run Broadcasts.
- (a3) The Council may condition the grant of an On-Demand Broadcasting License on a requirement to invest a monetary sum at a rate that shall be determined by it, which shall not exceed 4% of its annual income from the subscription fees for On-Demand Broadcasts, for the production or purchase of Local Productions for First Run Broadcasts, that shall be offered by it, for viewing, to its Subscribers.
- (b)
 - (1) The Council may prescribe, by rules, the minimum quota for Local Productions of broadcasts broadcast by a holder of a General Cable Broadcasting License, on topics concerning solely a particular area, broadcast in a First Run Broadcast, in addition to the quota said in subsection (a), provided that, for this purpose, current affairs shall also be deemed to be Local Productions; the Council may determine the minimum quota under this paragraph as a quota of hours of part thereof;
 - (2) (repealed).

- (c) Without derogating from the generality of the provisions of section 6E, the Council may prescribe rules on Local Productions, including
- (1) on the classes of the broadcasts and the genres of the broadcasts that shall be included in the minimum quotas for Local Productions, In-house Local Productions and Purchased Local Productions, the scope of the classes of broadcasts and genres of broadcasts in each of the said Productions and the broadcast times thereof, and the manner of the distribution of the Broadcasts among the various channels, including in order for the Productions to be performed with the appropriate standards, budget quality;
 - (2) on the right of a holder of a Cable Broadcasting License to credit amounts paid for the Local Production produced by another against the Local Productions quota which it is required to meet;
 - (3) on the reporting obligation with respect to the fulfillment of the provisions of this section.
- (d) If a holder of a Cable Broadcasting License breaches an obligation imposed on it under the provisions of this section, the Council may require it to produce or purchase Local Productions at the rate of double the Local Productions in respect to which the said obligation has been breached, and it may give instructions, *inter alia*, on the genres and the schedules for the production or broadcasting thereof; where the Council has imposed a requirement on the holder of a Cable Broadcasting License under this subsection, no financial sanction shall be imposed on the said Licensee under section 37B1, for that breach.

6F. Dissolution of the Council

- (a) If the Minister concludes that the Council does not properly fulfill its functions under this Chapter, he shall advise the Council, in a written reasoned notice, that shall be sent to the chairperson of the Council, that if, within such period as he shall set, it shall not correct whatever requires correction, he shall order its dissolution; should the said correction not be made within the period prescribed by the Minister in his notice, the Minister may, with the approval of the government, order the dissolution of the Council.
- (b) If the Council was dissolved as aforesaid, a new Council shall be appointed in the manner aforesaid in section 6B; the Minister may carry out the roles of the Council as set out in this Chapter, until a new Council is appointed.

6F1. **Placing means and budgets at the disposal of the Council**

The government shall place at the disposal of the Council the means and budgets required for it to function properly, and it shall act to promote, for this purpose and to the extent needed, the allocation of appropriate amounts in the budget laws.

6F2. **Investment in Local Productions in the Amharic and Tigrigna languages**

- (a) In order to encourage Local Productions in the Amharic and Tigrigna languages for the community of immigrants from Ethiopia (in this section – the Community), and to assist in the integration of members of the Community into society and in their adapting thereto, an annual budget in the amount of 4.8 million NIS shall be set forth in the budget laws (in this section – Support Funds).
- (b) The Council shall distribute the Support Funds for the funding of Local Productions to be broadcast on the channels that broadcast in the Amharic and Tigrigna Languages during at least half of their broadcast time, provided that the said broadcast time shall be no less than 12 hours a day, six days a week; for this purpose, Broadcasts in another language, accompanied by subtitles in the Amharic and Tigrigna Languages, shall not be taken into account.
- (c) The provisions of section 2A of the Budgetary Principles Law, 5745-1985, shall apply a distribution under subsection (b), including the tests that shall be set out by the Council, *mutatis mutandis*, and they shall also apply to a distribution to bodies which are not included in the definition of "Public Institution" in the said section.
- (d) In the distribution of the Support Funds, the Council shall examine the suitability of the Local Productions to one or more of the following goals, and it shall also take into account the hours during which the Local Productions will be broadcast, on the channels said in subsection (b):
 - (1) enabling the members of the Community to express the collective feelings of the Community, their culture and traditions;
 - (2) highlighting the achievements of members of the Community, within the Community and vis-à-vis Israeli society as a whole;
 - (3) providing relevant information on all matters concerning dealing with bodies in Israel, including government ministries and the institutions dealing with issues related to the Community;
 - (4) depicting Israeli lifestyle, in order to aid in the absorption of members of the Community into Israel;
 - (5) familiarization with Israeli history and culture.

- (e) In this section –
"Local Production" – a program in which a Majority of its creators, a Majority of the production staff, a Majority of the technical engineering crew that took part in its production, and a majority of the production staff are residents of Israel and Members of the Ethiopian Ethnic Group, who permanently reside in Israel, and that was produced for an Israeli initial target audience in the in the Amharic and Tigrigna Languages;
"Member of the Ethiopian Ethnic Group" – a person who was born in Ethiopia or at least one of his parents was born in Ethiopia;
"Majority" – at least 75%.

Article C: Cable Broadcasting License

6G. **Obligatory licensing**

- (a) No person shall perform Cable Broadcasting unless it has received a Cable Broadcasting License from the Council under this Chapter.
- (b) No person shall establish, maintain or operate a Broadcasting HeadEnd for the purpose of the conduct of Broadcasts by a holder of a General Cable Broadcasting License unless it has obtained a license therefor under section 4 and in accordance with the terms and conditions thereof.
- (c) (Repealed).
- (d) (Repealed).
- (e) (Repealed).

6H. **Grant of a license**

- (a) The Council may grant a Cable Broadcasting License and set out terms and conditions in the license, and it may also direct that the license be granted by way of a tender; a Cable Broadcasting License may be a General Cable Broadcasting License, an On-Demand Broadcasting License or a Special Cable Broadcasting License.
- (b) The Council may approve an application for a Cable Broadcasting License, impose conditions for his approval that must be met prior to the grant of the license or subsequent to the license being granted, and it may reject a Cable Broadcasting License application, giving reasons for the rejection, in writing.
- (b1) Where an application for an On-Demand Broadcasting License has been submitted to the Council, it may decide that a General Broadcasting License must be obtained for the purpose of the broadcasting thereof, having regard, *inter alia*, to the characteristics of the Broadcasts, their nature and scope; where it has decided as

- aforesaid, it shall notify the applicant that it must submit a General Broadcasting License application, should it so desire.
- (c) The Council may change the terms of a license, add to or subtract therefrom, provided that it has first given the Licensee an opportunity to make submissions.
 - (d) Where the Council directed that a license shall be granted by way of a tender, it may direct that the selection of the Licensee shall be based, *inter alia*, on the amount of the license fees offered by the tender participants.
 - (e) With regard to (a) through (d), the Minister may give instructions in respect to changing the decisions of the Council under the said subsections, if, in his opinion, special reasons exist requiring it.
 - (f) The Minister may give instructions concerning conditions in respect of engineering matters, which shall be included in a Cable Broadcasting License, whether prior to the grant of the license or subsequent to the license being granted, including in respect of the following matters:
 - (1) the technology which shall be used in the Broadcasting and the manners of reception and access thereto;
 - (2) the means and manners of transmitting and distributing the Broadcasts, and of their reception by the Subscribers; including the specifications of the Broadcasting HeadEnd which shall be used for its Broadcasts and the compliance thereof with the standards, and a minimum number of broadcasting channels that may be maintained by means thereof.
 - (g) The Director General of the Ministry of Communications shall prescribe directives concerning the promised quality and the standard service quality of On-Demand Broadcasting; the said directives shall be published on the Ministry of Communications' internet website.

6H1. **Considerations in granting a license**

In the grant of a Cable Broadcasting License and in the stipulation of its terms, the following considerations, *inter alia*, shall be taken into account:

- (a) government policy in the field of Telecommunications and in the field of Broadcasting;
- (b) considerations concerning the public welfare;
- (c) The suitability of the license applicant to broadcast Cable Broadcasts;

- (d) the contribution of the grant of the license to competition in the field of Broadcasting, to the plurality and diversification thereof and to the standard of services therein;

6H2. Qualifications to obtain a license

A Cable Broadcasting License shall only be granted if the following, at the very least, hold true for the applicant:

- (1) he is an Israel Citizen and an Israel resident, or it is a corporation registered in Israel, and in the case of a General Cable Broadcasting License, at least 26% of every type of Means of Control in the said corporation is held by a citizen of Israel and a resident of Israel; in this paragraph –

"Israel Citizen" – within its meaning in the Citizenship Law, 5712-1952;
"Resident" – within its meaning in the Population Registry Law, 5725-1965;
- (2) the applicant has not been convicted of an offense that because of its nature, severity or circumstances renders him unfit to be granted a said license, and if it is a corporation – no Officer or Interested Party therein has been convicted as aforesaid.

6H3. Restriction on the grant of a license

No Cable Broadcasting License shall be granted in the following cases:

- (1) the grant of the license may be contrary to public welfare;
- (2) the grant of the license may constitute a threat to national security;
- (3) the applicant is a political party or an agent of a political party, directly or indirectly, who may use the Broadcasts in order to promote the purposes of the party;
- (4) the applicant or any person that holds any type of Means of Control in an applicant that is a corporation is a foreign government; however, the Minister may permit an indirect Holding of up to 10% of any type of Means of Control by a corporation in which a foreign government holds any type of Means of Control.

6H4. Cross Ownership

- (a) No Cable Broadcasting License or On-Demand Broadcasting License shall be granted to a corporation for which one of the following holds true, directly or indirectly:

- (1) it is a holder of a television broadcasting franchise under the Second Television and Radio Authority Law, 5750-1990, or a holder of a Satellite Broadcasting License under Chapter B2 or a holder of a General Cable Broadcasting License or a holder of an On-Demand Broadcasting License (in this section – a Holder of Another Broadcasting License) or it is a newspaper;
- (2) it is a corporation in which a Holder of Another Broadcasting License holds any type of Means of Control, or that holds any type of Means of Control in a Holder of Another Broadcasting License or in a newspaper;
- (3) it is a corporation a Controlling Party of which or a person who holds more than 24% of any type of Means of Control of which is a newspaper, or it is a corporation a person who holds 24% of any type of Means of Control of which or who is a Controlling Party of which also holds 24% of any type of Means of Control in or Controls a newspaper;
- (4)
 - (a) where two or more persons hold, in the aggregate, more than 24% of any type of Means of Control in a single newspaper, then they shall not be Controlling Parties of the applicant corporation and their total aggregate holdings in the applicant corporation shall not exceed 24% of any type of Means of Control therein;
 - (b) where two or more persons hold, in the aggregate, more than 24% of any type of Means of Control in different newspapers, then they shall not be Controlling Parties of the applicant corporation and their total aggregate holdings in the corporation shall not exceed one third of any type of Means of Control therein; where the provisions of subparagraph (a) also hold true for any of the persons who hold Means of Control in different newspapers, only the restriction provided in this paragraph shall apply to their aggregate holdings;
- (5) it is a corporation an Interested Party in which is also an Interested Party in another corporation that has obtained a General Cable Broadcasting License or an On-Demand Broadcasting License, or a person who holds more than 24% of any type of Means of Control in which also holds more than 24% of any type of Means of Control in a corporation that has obtained a Satellite Television Broadcasting License, unless the Minister has determined,

with the consent of the Council, that it will benefit competition in the field of broadcasts and the variety of the broadcasts offered to Subscribers, all in accordance with the provisions, conditions and restrictions established by the Minister after consulting with the Council and with the Committee's approval.

- (b) Notwithstanding anything provided in this section, any person who held Means of Control in a Franchisee on the date of commencement of Amendment 25, and the Franchisee or a linked company thereof have chosen to act as said in section 6L2(1), may hold Means of Control in a corporation that has obtained a General Cable Broadcasting License, at the same rate of Means of Control held by it in the Franchisee, all of which for the period ending at 8 years from the date of commencement of Amendment 25.
- (c) In this section –

"Newspaper" – a daily newspaper distributed throughout most of the country, as well as any person who is that newspaper's publisher;
"Franchisee" – within its meaning in Chapter B1, in its version immediately before the commencement of Amendment 25, and in this regard, a corporation that had been directly held by Franchisees or linked companies thereof, which were, immediately before Amendment 25, Franchisees, and who had acted, in their various franchise areas, during the period of the franchise, as a single brand, shall also be deemed to be a Franchisee;

6I. Conditions for granting a Cable Broadcasting License

- (b) The Minister may, after having consulted with the Council, prescribe conditions for granting a license for Cable Broadcasting and the conduct of Broadcasts, including conditions concerning the following:
 - 1 the procedures for the grant of a Cable Broadcasting License, whether it is granted through a tender or otherwise, including the manner of submission of application and of the handling thereof, information that the applicant for a license must disclose and documents that it must furnish;
 - 2 a fee for the grant of a Cable Broadcasting License and the ways and times of the payment thereof, including the linkage thereof to the consumer price index and the determination of interest arrears and collection expenses;
 - 3 guarantees that a Cable Broadcasting Licensee must furnish in order to receive the license and to ensure the fulfillment

of the terms of its license, and the manner of the forfeiture thereof;

- (4) terms that will be set out in the license, concerning the prices for the services, including a determination of the maximum or minimum prices that the licensee may charge a Subscriber, insofar as that determination is required for the purpose of promoting competition and the standard of services therein;
 - (5) terms and restriction concerning the Holding, transferring or acquisition of Means of Control in the applicant for a license, the appointment of Officers and the maintaining of a separate accounting system or the maintaining of separate corporations, as said in section 4(d2), *mutatis mutandis*;
 - (6) the professional know-how and experience that must be at the disposal of the applicant for a license and its financial capability;
 - (7) a determination of the area in which the licensee is required to provide Cable Broadcasts;
 - (8) The period of the license, including the possibility to extend it by one or more additional periods;
 - (9) the obligations of a holder of a General Cable Broadcasting License towards its Subscribers and towards other licensees.
- (c) Where no regulations had been prescribed concerning the matters listed in subsection (a)(3) through (9), the Council may prescribe, in a license or in a tender, terms and conditions concerning the said matters; the provision of section 6H(e) shall apply to the Council's prescription under this subsection.

6I1. Conduct of Broadcasts in a proper and regular manner

- (a) A Cable Broadcasting Licensee shall conduct the Broadcasts in a proper and regular manner, in accordance with the license granted thereto and in accordance with the regulations and rules prescribed under this Law.
- (b) If the Ministry or the Council conclude that a Cable Broadcasting Licensee is acting in a manner that may cause an impairment to the proper and regular conduct of the Broadcasts, or that its activity may cause significant impairment to competition in the field of Broadcasting, each of them may give instructions to the licensee in respect to steps that it must take in order to prevent that impairment; the Minister's instructions under this subsection shall be given after the Minister has consulted with the Council.

6J. Prohibition on transfer, charge and attachment

- (a)
 - (1) No Cable Broadcasting License, including any of the rights granted thereunder, may be transferred, charged or attached; notwithstanding the aforesaid, the Minister may, after consultation with the Council and after having taken into account the considerations stated in section 6H1, permit the transfer of a Cable Broadcasting License while carrying out structural changes, on such conditions as he may stipulate, if he is convinced that all of the conditions that held true for the transferor hold true for the transferee Licensee;
 - (2) any transfer, charge or attachment of any of the Cable Broadcasting License Assets, not explicitly allowed under the license, shall require the approval of the Minister; notwithstanding the aforesaid, the charge of a said Asset to a banking corporation as defined in the Banking (Licensing) Law, 5741-1981, shall not require a said approval;
 - (3) no charge on any of the License Assets shall be realized unless in a manner approved by the Minister, and provided that nothing in the realization can impair the proper and regular conduct of the Broadcasts.
- (b) Terminal Equipment installed on the premises of a Subscriber shall not be capable of being –
 - (1) charged or attached;
 - (2) transferred to another, except in accordance with provisions prescribed by the Minister by regulations or in accordance with the Cable Broadcasting License;
- (c) guarantees furnished by a Cable Broadcasting Licensee under section 6I(a)(3) or 6I(b), to ensure the fulfillment of the terms of the license and the moneys received from the forfeiture thereof shall not be capable of being attached.

6K. Revocation, limitation or suspension of a license

- (a) The Council may revoke a Cable Broadcasting License, limit it or suspend it, in each of the following instances, provided the Licensee has been given a reasonable opportunity for a hearing:
 - (1) the Licensee did not disclose to the Minister, the Council or the Tenders Committee, as the case may be, information

that must be disclosed or it furnished inaccurate information;

- (2) the Licensee did not comply with the provisions of this Chapter or of regulations or rules made thereunder;
- (3) the Licensee committed a material breach of the License conditions;
- (3A) the Licensee had breached a condition of the License (other than a material term), and has not remedied the breach as instructed by the Minister or the Council;
- (4) the Licensee has not commenced Broadcasts within the time fixed therefor in the license, or ceased its Broadcasts for an unreasonable period of time;
- (5) one or more of the qualities that rendered the licensee suitable to be a Cable Broadcasting Licensee has ceased to exist;
- (6) the Licensee has died, has been declared legally incompetent or bankrupt, and if it is a corporation - a receiver or a temporary liquidator was appointed thereto by the court, the court has ordered that it be liquidated or the licensee has decided on voluntary liquidation;
- (7) the Licensee has requested cancellation of its license;
- (8) in the opinion of the Minister or the Council, reasons concerning the public welfare require it.

- (b) For the purpose of this section, the provision of section 6H(e) shall apply.

6K1. **Additional powers**

The Minister may give, in regulations or in a license, instructions to a holder of a General Broadcasting License, concerning the provision of Broadcasts to Israeli citizens and residents in the Israeli localities in Judea, Samaria and Gaza, as well as instruction to a licensee concerning Telecommunication Activities and Telecommunication Services required for the provision of said Broadcasts.

6K2. **Basic Package**

- (a) The Minister may direct a holder of a General Cable Broadcasting License to offer to any person that requires it, a package of Broadcasts comprising a limited number of channels at a fixed price (in this section – Basic Package); the Minister shall issue directives as to the number of channels in the Basic Package and as to its price, and he may also issue directives as to the policy on the characteristics of the Basic Package and the types of channels therein.

- (b) The directives of the Minister under subsection (a) shall be effective for a period not exceeding three years; however, if the Minister finds that no competition has yet been established in multi-channel Television Broadcasting, then he may direct, in consultation with the Council, that the effective period of such directives be extended for additional periods not to exceed three years each.
- (c) The Council shall issue directives for the implementation of the directives of the Minister under subsection (a), including directives as to the specification of the channels to be included in the Basic Package, the content of the Broadcasts on the channels included in the package and the standard and extent thereof; the Council shall also issue directives as to the General Cable Broadcasting Licensee's informing the public of the Basic Package.
- (d) No General Cable Broadcasting Licensee shall demand any payment from a Basic Package subscriber, for services ancillary to the Basic Package, including installment fees or the cost of the installment, and for Terminal Equipment (in this subsection – Ancillary Payments), exceeding the price for the package mandated by the Minister under subsection (a), if it does not demand Ancillary Payments from subscribers of other packages; if the Licensee demands Ancillary Payments from subscribers of other packages, then the said payment that the Licensee collects from the subscribers of the Basic Package shall not exceed the payment collected from the subscriber of other Broadcast packages, for the same Ancillary Services, except with the approval of the Council.
- (e) If the Minister directs as said in subsection (a), the Council may not issue directives requiring a Licensee to offer another basic package.

6L. **Maintaining continuity of Broadcasting**

The Minister may prescribe regulations or give instructions concerning the maintaining continuity of Broadcasting where Broadcasting has ceased due to one of the grounds set out in section 6K, or due to the expiration of the validity of the Cable Broadcasting License or of any other license by virtue of which the Broadcasting HeadEnd is operated, including concerning the appointment of a trustee for the management of the Headend and the operation thereof, and he may also prescribe terms for the payment of user fees to the licensee for the use of the Broadcasting HeadEnd, and the rate thereof.

Article C1: Transition from a Franchise to a license

6L1. **Definitions**

In this Article –

"Franchisee", "Franchise", "Broadcasting Station" and "Cable Network" – within their meaning in Chapter B1, in its version prior to the commencement of Amendment 25;

"Company" – including any other corporation;

"Linked Company" – a parent company, a subsidiary or a sister company;

"Significant Influence" - the capability to significantly influence the activity of a corporation, whether alone or together with or through others, whether in a direct or indirect manner, arising from holding Means of Control in that corporation or in another corporation, including capability that derives from the corporation's articles of association, from a written, oral or other kind of agreement, or capability deriving from any other source, excluding capability that derives solely from the performance of an office holder's duties in the corporation; without derogating from the generality of the foregoing, a person shall be deemed to hold Significant Influence over a corporation if it holds twenty -five per cent or more of any Means of Control in that corporation;

"Sister Companies" - companies where the entity holding Significant Influence over one company also has Significant Influence over the other company;

"Parent Company" - a company with Significant Influence over another company;

"Subsidiary" - a company over which another company exerts Significant Influence.

6L2. **Conditions for the grant of a General License**

The Minister may grant a Franchisee or a Linked Company of a Franchisee (hereinafter – the Applicant) a General License for the conduct of Telecommunication Activities and for the provision of Telecommunication Services by means of the Broadcasting Station used by the Franchisee for Broadcasting (hereinafter – the License) under the provisions of section 4 and subject to the following conditions:

- (1) within 60 days from the date of commencement of Amendment 25, the Franchisee and a Linked Company thereof submitted applications for a General License – for one of them, and for a General Cable Broadcasting License – for the other, all of which in respect of all of the areas included in all of the Franchises of the said Franchisee and of Linked Companies thereof, that had operated, during the period of the Franchise, as a single brand, and one of them has also submitted an application for a Special License for a Broadcasting HeadEnd; in its application, the applicant for a General License shall undertake to perform any act required in order to adjust the Cable Network to be used as a Public Telecommunication Network;
- (2) the Franchisee shall pay the State consideration as per the stipulations of the agreement signed between the State and the

Franchisees, for being allowed to continue to operate the Broadcasting Station subject to the provisions of this Law and to the licenses that will be granted, after the end of the period of the Franchise as well, all of which notwithstanding any thing provided in section 6K(b) and the rest of the provision of the Law, in their version prior to the commencement of Amendment 25;

(3)

- (a) where the Applicant was the Franchisee, the grant of the license shall be conditional upon the Applicant's transferring the activity involved in the provision of Broadcasts to the Linked Company, as stipulated in the license;
- (b) where the Applicant was the Linked Company, the grant of the license shall be conditional upon the Franchisee's transferring the rights in the Cable Network used for its Broadcasts to the Applicant.

6L3. Transfer from a Franchise to a Cable Broadcasting License

- (a) Where the Linked Company has received a General License under the provisions of section 6L2, the Franchisee shall not continue to broadcast Cable Broadcasts, unless it has received a General Cable Broadcasting License in accordance with its application under section 6L2(1); until a General Cable Broadcasting License is received, the provisions of the Franchise shall continue to apply to the Franchisee, insofar as they concern the maintenance of Broadcasts and subject to the instructions of the Minister, and if a General Cable Broadcasting License was not granted thereto, the said provisions of the Franchise shall continue to apply until the end of the period of the Franchise or until the date that the Minister shall prescribe or direct in accordance with his power under section 6L.
- (b) Where the Franchisee has received a General License under the provisions of section 6L2, it shall not continue to broadcast Cable Broadcasts; until a General Cable Broadcasting License is received by the Linked Company in accordance with its application under section 6L2(1), the Minister may direct that the provisions of the Franchise apply thereto, instead of to the Franchisee, insofar as they concern the maintenance of Broadcasts and subject to his instructions, and if a General Cable Broadcasting License was not granted thereto, the said provisions shall apply thereto until the end of the period of the Franchise or until the date that the Minister shall prescribe or direct in accordance with his power under section 6L.
- (c) Where a General Broadcasting License has not been granted, or as long as it has not been granted, the provisions of this Law shall

- apply, *mutatis mutandis*, to the Franchisee or the Linked Company, as the case may be, as if they were a holder of a General Cable Broadcasting License, throughout the periods said in subsections (a) and (b), provided that the Minister not give a decision on the continuation of Broadcasts except for six month periods at a time.
- (d) The Council shall not refuse to grant a General Cable Broadcasting License to a Franchisee or a Linked Company, solely due to the fact that it had been found that the Franchisee did not comply, in whole or in part, with obligations compliance with which was required thereof during the period of its Franchise, provided that the Franchisee or the Linked Company undertook to comply with the obligations that shall be stipulated by the Council in the license, in the manner and at the terms that shall be stipulated as aforesaid.

6L4. Time for handing down decisions on applications for licenses

The Minister or the Council, as the case may be, shall hand down their decision on the application for licenses submitted thereto in accordance with the provisions of section 6L2(1) within 90 days from the date of receipt of the application, or from the date on which the Applicant has furnished any information or made any change demanded therefrom; a demand that the Applicant provide information or make changes shall be met by the Applicant within 15 days from the date of its delivery thereto.

6L5. Regulations and rules

Regulations and rules concerning Franchises made under the Law shall remain in effect and shall apply, *mutatis mutandis* as the case may be, to a Cable Broadcasting License, unless they were earlier repealed or amended under this Law.

6L6. A Franchise remaining in place

- (a) Where no General License has been granted as stipulated in this Article, or for as long as no said license has been granted, the Franchisee shall continue to operate under its Franchise, until the end of the period of the Franchise; the provisions of the Law, in its version prior to the commencement of Amendment 25, including the offenses under Chapter G and regulations and rules made under the Law shall continue to apply as aforesaid, with the following changes:
- (1) the following shall replace section 6K(b) in its version prior to the commencement of Amendment 25:
- "(b) Where a Franchise had been revoked or where its validity had expired, and one or more new licenses

for the provision of Telecommunication Services or for the conduct of Broadcasts by means of all or part of the Broadcasting Station were granted, a Licensee who will win, by tender, the right to do so, shall acquire from the Franchisee, for payment, its rights in the Broadcasting Station that had been used for its Broadcasts, provided that the Station is suitable for use for the purposes of its license; in the absence of agreement between the Franchisee and the Licensee regarding the Broadcasting Station's condition or the amount of payment therefor – the Minister shall resolve the controversy and he may grant exemption from purchasing the Broadcasting Station, in whole or in part; the Minister's decision may be appealed to the District Court within 45 days from the day on which the parties have been notified of the decision.";

- (2) the provisions of sections 4H and 5 of the Law, the provisions of section 6Y and Chapter G1 shall apply to the Franchisee, as the case may be and *mutatis mutandis*; for the purposes of the said provisions, the Franchisee shall be considered as a holder of a General Cable Broadcasting License or as a holder of a General License, as the case may be;
 - (3) the following shall replace section 6E(1)(d) in its version prior to the commencement of Amendment 25: "The supervision of the performance of the Broadcasts, having regard to the classes of broadcasts and the scope thereof, and of the provision of the services by the Franchisees, including supervising the fulfillment of the marking obligation and the obligation to provide information, and of the prevention of the broadcasting of commercials or promos the broadcasting of which by Franchisees is prohibited under the provisions of the Classification, Marking, and Prohibition of Harmful Broadcasts Law, 5761-2001".
- (b) Where a General License was granted under section 6L2, and it was decided not to grant a General Cable Broadcasting License under section 6L3, the person to whom the General License was granted may notify the Minister in writing, within 30 days from the date on which the decision was delivered thereto, of its withdrawal of the application for a General License; where a said notification was given, the General License shall be revoked and the provisions of subsection (a) shall apply.

6L7. **Cooperation – temporary order**

- (a) All or any of the Franchisees or of Linked Companies thereof, that applied for General Cable Broadcasting Licenses, may request the Minister and the Council to grant approval for them to act in cooperation, in spheres and matters related to the activity of a holder of a General Cable Broadcasting License, and for a single period that shall be determined by the Minister and the Council, that shall not exceed eight years (hereinafter – the Period of Cooperation), all of which if they were convinced that this is required in order to promote competition in the field of communications or for reasons concerning public welfare.
- (b) Approval under this section shall not be in lieu of any approval or exemption required under any law.
- (c) The Minister and the Council may grant their approval for cooperation said in subsection (a), that will be carried out through another cooperation (hereinafter – the Other Corporation), provided that General Cable Broadcasting License applications have been submitted as said in subsection (a), and that the Other Corporation has submitted an application for a General Cable Broadcasting License only for the Period of Cooperation, all of which under this Law.
- (d) Some or all of the persons who had been Franchisees, or Linked Companies thereof, or persons who had held Means of Control in Franchisees on the date of commencement of Amendment 25, may also be among those Holding Means of Control in the Other Corporation, and the provisions of section 6H4(a)(4)(b) concerning restrictions on Control or Holding Means of Control in a corporation shall only apply to the Other Corporation; for the purpose of this section, the General Cable Broadcasting Licenses granted to any of the Holders of the Means of Control in the Other Corporation shall not be considered as General Cable Broadcasting Licenses that violate the restrictions stipulated in section 6H4; in this subsection, "Control" – as defined in the Banking (Licensing) Law, 5741-1981.
- (e) Where a General Cable Broadcasting License has been granted to an Other Corporation, and General Cable Broadcasting Licenses have also been granted to a persons who have submitted applications under subsection (a), all of the obligations concerning Broadcasting and Services under this Law shall apply, during the Period of Cooperation, all as approved as said in subsections (a) and (c), only to the Other Corporation, and any amendment to the Other Corporation's General Broadcasting License shall be considered as an amendment to each of the other licenses that have been granted as said in subsection (a).

- (f) The Minister and the Council may give instructions, from time to time, in the licenses granted under this section, which are required for the performance thereof.
- (g) For the purposes of this section, "Franchisee" – as defined in section 6H4.

6L8. Market share – temporary provision

At the end of the period prescribed in section 6H4(b), the Minister may, in consultation with the Council and with the approval of the Committee, permit holders of Means of Control in or Controlling Parties of one or more newspaper to also be holders of Means of Control in or Controlling Parties of only one of the holders of the General Cable Broadcasting Licenses (hereinafter – the Controlled Licensee), all notwithstanding the provisions of sections 6H4(a)(3) and 6H4(a)(4), provided that one of the following holds true:

- (1) the number of the Controlled Licensee's Subscribers does not exceed, at any time, a third of the Subscribers of all of the holders of General Cable Broadcasting Licenses, and at least two Broadcasting Licensees exist, other than the Controlling Licensee, who operate separately from it and compete with it, and who are capable of operating nationwide, and each of whose market share exceeds 20% of the Subscribers of all of the holders of General Cable Broadcasting Licenses;
- (2) a Broadcasting Licensee exists, who is not a holder of a General Cable Broadcasting License, and the number of whose Subscribers is at least a third lower than that of all of the Broadcasting Licensees; and provided that the number of Subscribers of the Controlled Licensee does not, at any time, exceed half of the total number of cable television Subscribers, and at least two Broadcasting Licensees exist, other than the Controlling Licensee, who operate separately from it and compete with it, and who are capable of operating nationwide, and each of whose market share exceeds 20% of the Subscribers of all of the holders of General Cable Broadcasting Licenses;

an approval under this section shall be granted subject to terms and provisions for the enforcement of the said conditions, as the case may be, being stipulated therein, with the consent of the Antitrust Commissioner, also about arrangements concerning excess holdings; in this section, "Broadcasting Licensee" – a Broadcasting Licensee that offers television Broadcasts for Subscribers in a multi-channel format, which are not solely a provision of video On-Demand Broadcasts, with the exclusion of a holder of a Special Cable Broadcasting License.

Article D: (Repealed)

6M. The right to participate in a tender

Any person for whom the following, at the very least, hold true, may participate in a tender:

- (1) he is a Israel Citizen and an Israel resident, or it is a corporation registered in Israel at least 51% of the Means of Control of which are held by a said Israel Citizen and resident, or by a corporation for which the said condition holds true; in this paragraph, "Israel Citizen" – within its meaning in the Citizenship Law, 5712-1952;
- (2) he has not been convicted of an offense that involves ignominy, and if it is a corporation – neither its manager, nor any person who is an Interested Party therein, has been convicted as aforesaid.

6N. Disqualification of a tender participant

- (a) The Tenders Committee shall disqualify a tender participant if, in its opinion –
 - (1) the grant of the Franchise to that participant may be contrary to public welfare;
 - (2) the grant of the Franchise to that participant may constitute a threat to national security;
 - (3) the tender participant is a political party or an agent of a political party, directly or indirectly, who, in the opinion of the Tenders Committee, may use the Broadcasts in order to promote the purposes of the party.
- (b) The Tenders Committee shall give reasons, in writing, for its decision to disqualify a tender participant due to the reason said in subsection (a)(1).

6O. Disclosure of information in a tender

- (a) The Tenders Committee may require a tender participant to disclose full and accurate details of its identity, business relationships, obligations, capital structure and sources of funding, the management of its business, the ownership thereof, the holders of voting rights or Interested Parties therein, the know-how agreements to which it is a party and agreements related to the construction of the facilities for the purpose of the Broadcasts and the operation thereof, as well as any other information that, in the opinion of the Tenders Committee, there is interest in the disclosure of which.

- (b) The Tenders Committee may require from a tender participant who is a corporation to disclose all of the information as said in subsection (a), and any other information that, in the opinion of the Tenders Committee, there is interest in the disclosure of which, also in respect of an Interested Party in the corporation and in respect of any party who has a share in the Means of Control of the corporation or takes part in the management thereof.

6P. Discussions with bidders

The Tenders Committee may discuss the details of a bid with the bidder, request clarifications thereto and request all bidders to amend their bids, provided that all of the bidders have been informed of the Committee's contacting a particular bidder requesting it to amend its bid, and of the content of the request, and that an equal opportunity has been afforded to each of them.

6Q. Considerations in selecting the winner of the tender

The Tenders Committee, in selecting the winner of the tender, shall consider, *inter alia* –

- (1) the bidder's financial and organizational capability;
- (2) the know-how and professional experience that are at its disposal;
- (3) the diversity of the bidder's Broadcasting programs and services;
- (4) the proposed pace for laying the Cable Network in the area;
- (5) the price that the bidder intends to charge the Subscribers for the provision of the services.

6R. Regulations on tenders

The Minister shall prescribe the following by regulations –

- (1) the rules of procedure and modes of operation of the Council when sitting as a Tenders Committee;
- (2) the procedures for granting a Franchise, including the holding of tenders, the manner of submission of the bids and the handling thereof, as well as the ways and times for the provision of information on the results of tenders.

Article E: Content of Cable Broadcasts

6S. (Repealed)

6S1. Services ancillary to Broadcasts

If the question arises of whether a particular service is a service directly ancillary to Broadcasts, the Minister shall decide it.

6T. **Content of Cable Broadcasts**

- (f) A holder of a General Cable Broadcasting License shall broadcast local news and local programs on current affairs concerning the area only; where the Broadcasting Authority has produced the said broadcasts in accordance with section 44C1 of the Broadcasting Authority Law, 5725-1965, the Broadcasting Authority may also broadcast them among its Broadcasts as stipulated in the said section, on conditions to be agreed upon between it and the Licensee.
- (g) A holder of a General Cable Broadcasting License shall broadcast a variety of films and programs, *inter alia*, in the fields of entertainment, music, arts, society, science, education, culture and sports.
- (h) Among the Broadcasts said in subsection (b), a holder of a General Cable Broadcasting License shall also include Broadcasts in which there is an expression of issues and needs unique to the area (hereinafter - Broadcasts on Issues Concerning the Area).
- (i) The Council may permit two or more holders of a General Cable Broadcasting License, between the areas of which there is geographical proximity and a connection, to jointly produce and broadcast broadcasts dealing with news related to those areas or on other issues unique to those areas, if it was convinced that there is importance to the existence of said broadcasts, and that the joint broadcast may contribute to the quality and diversification of the Broadcasts on Issues Concerning the Area and to increasing the amount thereof, all of which on conditions that shall be prescribed by it.
- (j) The Council may also grant permission as aforesaid in subsection (d) to a holder of a General Cable Broadcasting License to whom two or more licenses have been granted.
- (k) In maintaining Broadcasts under this section, a holder of a General Cable Broadcasting License shall operate in accordance with rules that shall be prescribed by the Council concerning this section.
- (f1) A holder of a General Cable Broadcasting License may deduct from the royalties paid by it under the provisions of section 6JJ(a) amounts disbursed for the funding of the production and broadcasting of Broadcasts said in subsection (a), provided that the amounts that all of the said holders of a license may deduct do not exceed the total amount of NIS 25.5 million per year; the Minister, with the consent of the Minister of Finance, after consultation with the Council and with the approval of the Committee, may prescribe provisions on the deduction from the said royalties, including on the examination of the amounts disbursed and the approval thereof.

- (f2) If the amounts disbursed as said in subsection (f1) exceeded the amounts deducted from the royalties under the same subsection, the difference between the said amounts shall be funded from the royalties that a Satellite Broadcasting Licensee must pay under section 6TT(f1), provided that the total amounts deducted from royalties under this section does not exceed the amount referred to in subsection (f1); the Council shall prescribe provisions on the transfer of the amounts of the difference under this subsection to the persons who actually produced the broadcasts said in subsection (a).
- (f3) Where a deduction said in subsection (f1) was made from the royalties paid or required to be paid for 2012, for the purpose of funding the production and broadcasting of broadcasts said in subsection (a) in 2012, and a balance of royalties remains after the said deduction, the balance shall be used for the purpose of funding the production and broadcasting of broadcasts said in subsection (a), during the first seven months of 2013.
- (f4) An additional amount shall be added to the balance amount said in subsection (f3), for the purpose of the production and broadcasting of broadcasts said in subsection (a) during the first seven months of 2013, out of the royalties that a holder of a Satellite Broadcasting License pays under section 6DDD(a) for 2012, in a manner in which the total amount used for the funding and broadcasting of said broadcasts during the first seven months of 2013 shall not exceed NIS 10.8 million; the extent and format of broadcasts said in subsection (a) shall be in accordance with the directives of the Council, which shall be made taking into consideration the amount said in this subsection.
- (f5) The Accountant of the Ministry of Communications shall prescribe provisions as to the manner of transferring the balance said in subsection (f3) and the amount said in subsection (f4) to the person actually producing the broadcasts said in subsection (a).
- (l) In this section, "Area" – a geographical area, the boundaries of which have been determined by the Council in rules; the Council may grant a holder of a General Cable Broadcasting License approval for the broadcasting of Broadcasts said in subsections (a) and (c) in an area exceeding the boundaries of a single Area.

6T1. Approval of Joint Channels

- (a) If some or all of the holders of General Cable Broadcasting Licenses seek to broadcast broadcasts on some or all of the issues or in some or all of the fields listed in section 6T(b), in the format of a Joint Channel, they shall apply to the Council requesting to do so, in one or both of the following manners:

- (1) a channel produced by a Channel Producer, who may broadcast it to the Broadcasting HeadEnds available to the said Licensees, or to otherwise deliver it thereto;
 - (2) a channel produced by all or some of the said Licensees, directly or indirectly, by themselves or jointly with another person, provided that the number of the said channel does not exceed two fifths of the number of In-house Channels of each said Licensee; the said decision of the Council to approve a rate lower than two fifths shall be granted for special reasons related to the Council's policy in the fields that are within its authority.
- (b) The Council may approve an application under subsection (a), reject it or impose additional conditions for its approval, including conditions concerning the types of channel and the number of channels that will be produced under subsection (a); nothing in the grant of approval under this subsection shall derogate from a Cable Broadcasting Licensee's obligations or rights under this Law or under the terms of the license; the Council may change its decisions under this section, for the purpose of carrying out the objectives specified in subsection (c), after having given the Licensee an opportunity to make submissions.
- (c) The Council may prescribe rules concerning this section, and in doing so it may also, with an aim to bring about a multiplicity of the parties involved in Broadcasting to the public or to part thereof, the diversification of the Broadcasts and the encouragement of local production, impose restrictions on the Holding of Means of Control by any person, including any person who broadcasts Broadcasts under any law.
- (d) The Council may prescribe, by the rules, restrictions on the number of Joint Channels produced by a Channel Producer, whether alone or together with others, including said restrictions on a person who holds Means of Control in a Channel Producer.
- (e) In this section –

"Broadcasting Licensee" – excluding a holder of a Special Cable Broadcasting License and an On-Demand Broadcasting Licensee;
"Production" – including the production, purchase and editing of Broadcasts for a channel, the production of connecting segments, and the carrying out of the activities involved in preparing a channel for broadcasting;

"In-house Channel" – a channel broadcast by a Broadcasting Licensee, that is produced primarily for the public in Israel or for part thereof, excluding the channel of a holder of a Special Cable

Broadcasting License, a channel broadcast under the provisions of section 6U(a), a community channel, a local channel, a channel the production of which for the public in Israel is only manifested by dubbing or adding translation or promos, an information channel, or any other channel determined by the Council for this purpose; "Joint Channel" – an In-house Channel broadcast by more than one Broadcasting Licensee or an In-house Channel broadcast to half of more of the total number of the Subscribers of all of the Broadcasting Licensees.

6T2. **Non-Area Specific News Broadcasts**

(a)

(1) In this section –

"Interested party" and "Holding" – (repealed);

"Independent News Producer" – a person who has received a license under subsections (c) and (d);

"News Channel Broadcaster" – a Dedicated Channel Broadcaster, who has received a Broadcasting License under section 6HH1, for broadcasting news and current affairs programs;

"Control" – (repealed);

(2) (repealed).

(b) Notwithstanding the provisions of section 6T(a), and in addition thereto, the Council may approve the transmission, by a holder of a General Cable Broadcasting License to its Subscribers, of news and current affairs programs that do not only concern the Area of the license, whether in the format of a separate channel or in the format of editions incorporated into the Licensee's In-house Channels (in this section – General News Broadcasts), provided that the following conditions hold true:

(1) the General News Broadcasts are produced and edited for broadcast by an Independent News Producer;

(2)

(a) any contracting of an Independent News producer with a holder of a General Cable Broadcasting License (in this section – the Contractual Relationship) is brought to the prior approval of the Council; the Council shall not approve the Contractual Relationship unless it is convinced that

the terms of the Contractual Relationship ensure the independence of the Independent News Producer, the credibility of its Broadcasts and the proper standard of production thereof, as a well as that nothing in the said Contractual Relationship may impair competition in the field of Broadcasting to the public;

- (b) without derogating from the generality of the above, the Council may impose conditions for the grant of the approval, including that the monetary consideration under the contract ensures, to the satisfaction of the Council, the independence of the Independent News Producer, the credibility of its Broadcasts and the proper standard of production thereof; if the Council determined as aforesaid, the monetary consideration of the Contractual Relationship shall not be reduced without the Council's prior approval;
 - (c) the Council shall not approve the Contractual Relationship unless by a majority of its members, which shall include at least half of the representatives of the public under section 6B(b)(2), and after having afforded the public a proper opportunity to voice its opinion regarding the Contractual Relationship and the terms thereof, in accordance with rules that shall be prescribed by it;
- (3) no Independent News Producer shall discriminate, in the terms of the Contractual Relationship, between a holder of a General Cable Broadcasting License or a Satellite Broadcasting Licensee and another Franchisee or another Satellite Broadcasting Licensee; without derogating from the above, an Independent News Producer shall fix a uniform price for all persons contracting with it, which shall serve as the basis for the calculation of the monetary consideration of the Contractual Relationship, according to the number of their Subscribers;
- (4) no Independent News Producer shall receive, directly or indirectly, any benefit or payment, of any kind whatsoever, in connection with the news Broadcasts, except from the licensee and in accordance with the terms of the Contractual Relationship; nothing in the aforesaid shall reduce the right of an Independent News Producer to sell the news Broadcasts to a party broadcasting news on television, in Israel or abroad;

- (5) where a holder of the General Cable Broadcasting License has contracted with an Independent News Producer for the transmission of General News Broadcasts in the approved format, the licensee shall transmit the news Broadcasts in that format, fully and without interruption, editing or delay.
- (c) The Council may grant a license to produce news as an Independent News Producer to an applicant for whom all of the following hold true (in this section – the Applicant):
- (1) it is a company registered in Israel, and its center of business operations is located in Israel;
 - (2) the company's manager is a citizen of Israel and a resident thereof;
 - (3) the majority of the company's directors are citizens of Israel and residents thereof;
 - (4) the company's manager shall serve as editor in chief of all of its General News Broadcasts;
 - (5) neither any of the following nor any person of which any of the following is a Controlling Party is an Interested Party in or a Controlling Party of the Applicant:
 - (a) a holder of a General Cable Broadcasting License, including any person who is a Controlling Party of or an Interested Party in a said holder of a General Cable Broadcasting License;
 - (b) a Satellite Broadcasting Licensee, including any person who is a Controlling Party of or an Interested Party in a said Satellite Broadcasting Licensee;
 - (c)
 - (1) a franchisee under the Second Authority for Television and Radio Law, 5750-1990 (hereinafter – the Second Authority Law), including any person who is a Controlling Party of or an Interested Party in a said television broadcasting franchisee;
 - (2) the provisions of paragraph (1) shall not apply to an Applicant in which an Interested Party is an Interested Party in a television broadcasting franchisee under the Second Authority Law, and it may hold up to 24% of any type of means of control in the Applicant, provided that it is not a Controlling Party of the Applicant, is not a

Controlling Party of a television broadcasting franchisee under the Second Authority Law, is not an Interested Party in a Broadcasting Licensee, and is not an Interested Party in a holder of a General License under this Law;

(d)

- (1) a daily newspaper distributed nationwide or a corporation that is the publisher of a said newspaper, including any person who is an Interested Party or a Controlling Party therein;
- (2) notwithstanding the provisions of paragraph (1), the Council may grant a license to the Applicant if it has been proven, to its satisfaction, that the newspaper said in paragraph (1) is not among the two most widely-circulated daily newspapers in Israel, and is not a Controlling Party of the Applicant;

(e)

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- (3) any person who lawfully broadcasts news Broadcasts, on television or on the radio, and does not broadcast a news channel;
 - (4) notwithstanding the provisions of paragraph (1), the Council may grant a license to the Applicant if it has been proven, to its satisfaction, that the person who broadcasts news as said in paragraph (1) is not among the two news broadcasters the Broadcasts viewed or listened to by the highest percentage of the public, and is not a Controlling Party of the Applicant;
- (6) the Applicant is not listed among those who may not participate in a tender under section 41(a)(2) through (4) of the Second Authority Law;
- (7) control or Means of Control of the Applicant shall not be held by any person who is not a citizen of Israel or a resident thereof; however, the Minister may determine the rate of any type of Means of Control that may be held by a person who is not a citizen of Israel or a resident thereof,

provided that the said rate does not exceed a third of the Means of Control of that type.

(d)

(1) No license shall be granted under subsection (c) if, in the opinion of the Council:

- (a) the grant of the license may be contrary to public welfare;
- (b) the grant of the license may constitute a threat to national security or to public peace;
- (c) the applicant is one of the following:
 - (1) a political party, within its meaning in the Parties Law, 5752-1992;
 - (2) a representative or agent of a political party;
 - (3) a body connected with a party group, within its meaning in the Political Parties Financing Law, 5733-1973;
 - (4) any other body connected with a political party;
 - (5) any other body, not listed in paragraphs (1) through (4), or a representative or agent of thereof;

all of which if, in the opinion of the Council, the Applicant may use the General News Broadcasts in order to promote the unique purposes of the party or of the said bodies.

(2) The Council shall give reasons, in writing, for its decision not to grant a license due to the reason said in paragraph (1)(a).

(e) An Independent News Producer shall holds accurate, reliable and balanced news Broadcasts, and the private viewpoints and opinions of its executives, employees and shareholders, or of the managers of the licensee, its employees and shareholders shall not be expressed therein.

(f) The Council may apply rules prescribed by it under this Law to an Independent News Broadcaster, and it may also prescribe special rules concerning General News Broadcasts; without derogating from the aforesaid, the Council may prescribe provisions on:

(1) procedures for the grant of a Broadcasting as an Independent News Producer License and for the revocation thereof;

- (a) the obligation of an Independent News Producer to report to the Council and the manner thereof;
 - (b) the obligation of an Independent News Producer to keep records of and retain its Broadcasts.
- (g) The provisions of sections 6H(b)(5), 6J(a) and (c), 6K(a), 6X, 6Y and 6PP shall apply *mutatis mutandis*, to an Independent News producer.
- (h) Nothing by virtue of the incorporation documents of a corporation that is an Independent News Producer shall derogate from the provisions of this Law.
- (i)
- (1) The provisions of this section shall apply to a News Channel Broadcaster; however, the provisions of section 6X shall not apply; the Council may prescribe conditions and rules, as needed, concerning a News Channel Broadcaster, including on the separation of news Broadcasts from the commercial advertisement Broadcasts;
 - (2) the Council may grant a News Channel Broadcaster a license to produce news as an Independent News producer, and if it has done so, and notwithstanding the aforesaid in paragraph (1), the provisions of subsections (a) through (h) shall apply thereto, in all matters concerning its said Broadcasts.

6U. Transmission of Broadcasts

- (a) A holder of a General Cable Broadcasting License shall fully transmit, in real time and without any interruption or editing, the FM radio Broadcasts and the television broadcasts that are broadcast under any law to the public in Israel, and that can be received through the air; the Council may prescribe, by rules, special reasons for which a holder of a General Cable Broadcasting License shall be exempt from the said obligation, with respect to terrestrial broadcasting or with respect to satellite broadcasting, excluding with respect to encrypted broadcasts the reception of which is conditional upon payment.
- (b) A holder of a General Cable Broadcasting License shall not be liable to pay any payment for transmission said in subsection (a) to the person broadcasting the original broadcast or to the holders of the copyrights or the performers' rights in the Broadcasts.
- (c) A holder of a General Cable Broadcasting License shall transmit Broadcasts originating outside of Israel, including Broadcasts from satellites, in accordance with rules that shall be prescribed, in this regard, by the Council.

6U1. **Broadcasting channels and special provisions in channels 10 and 22**

(a) In this section –

"Existing Channel" – as defined in section 37D of the Second Authority Law;

"Television Broadcasting Franchisee", "Television Broadcasting Licensee", "Channel 2", "the Third Channel" and "Amendment No. 33" – as defined in the Second Authority Law;

"The Determining Date" – the date of commencement of Amendment No. 33;

"The Councils" – the Council and the Second Authority for Television and Radio Council;

"The Second Authority for Television and Radio Council" – within its meaning in the Second Authority Law.

(b) Without derogating from the powers of the Council under this Law, the Council may direct a holder of a General Cable Broadcasting License as to the number of channels on which each of the following Broadcasts shall be broadcast, and it may direct it, for reasons that justify this, to transfer each of the said Broadcasts to a different channel:

(1) the television Broadcasts broadcast by the Broadcasting Authority under the Broadcasting Authority Law, 5725-1965; however, the transfer of the said Broadcasts to a different channel shall be require the approval of the Minister charged with implementing the said law;

(2) the Broadcasts of the Knesset Channel, as defined in section 2 of the Television Broadcasts from the Knesset Law, 5764-2003; however, the transfer of the said Broadcasts to a different channel shall require the approval of the Chairperson of the Knesset;

(3) the television Broadcasts broadcast by Television Broadcasting Franchisees as defined in the Second Authority Law;

(4) the Broadcasts of a Dedicated Channel Broadcaster;

(5) the Broadcasts of a holder of a Special Cable Broadcasting License.

(c) In exercising its powers under this Law, concerning the channels on which a holder of a General Cable Broadcasting License shall Broadcast, or the transfer of Broadcasts to a different channel, the Council shall not permit to transfer to or broadcast on channel 10 or 22 Broadcasts of a channel broadcasting commercial advertisements intended for the public in Israel, the Broadcasts of a channel the

Broadcasts of which are news Broadcasts or and current affairs programs intended for the public in Israel, or the Broadcasts of a channel with other characteristics, insofar as any were determined by the Minister after having consulted with the Councils, all of which during the following periods:

- (1) as regards channel 10 – during the period commencing on the date on which there were no remaining Franchisees for Television Broadcasting on the Third Channel, and ending three years from the said date; however, if the Minister has permitted a Television Broadcasting Licensee to continue to use channel 10 under the provisions of section 71E(h) of the Second Authority Law - during the period commencing on the date on which the Television Broadcasting Licensee has ceased to use channel 10 as aforesaid, and ending after three years from the said date;
 - (2) as regards channel 22 – during the period commencing on the date on which there were no remaining Franchisees for Television Broadcasting on Channel 2, and ending three years from the said date.
- (d) Without derogating from the provisions of subsection (c), the Minister may direct the Council that during the period said in paragraph (1) or (2) of that subsection, as the case maybe, or during part thereof, it shall not permit a holder of a General Cable Broadcasting Licensee to transfer to or broadcast on channel 10 or 22 Broadcasts of any channel.
- (e) After the period said in subsection (c)(1) or (2), as the case may be, has elapsed, the Minister may direct the Council not to permit to transfer to or broadcast on channel 10 or 22 the Broadcasts of a channel broadcasting Broadcasts of all or some the types specified in the opening passage of subsection (c), for an additional period, all as he shall direct.
- (f)
- (1) The Minister, after having consulted with the Councils, may determine, no later than 25 Adar A, 5771 (1 March 2011), a list of five consecutive channels designated for the transmission of the Broadcasts of Television Broadcasting Licensees by a holder of a General Cable Broadcasting license (in this section – the first list of channels);
 - (2) where a holder of a General Cable Broadcasting License has transmitted the Broadcasts of Television Broadcasting Licensees on all of the channels listed in the First List of Channels, the Councils shall determine an additional channel or an additional list of consecutive channels, to the

extent possible with numbers consecutive to those of the First List of Channels, for the purpose of the transmission of the Broadcasts of additional Television Broadcasting Licensees; the Councils shall determine additional channel as aforesaid, as needed;

- (3) the Councils may change the list of channels said in paragraphs (1) and (2), for reasons that justifying this; the list of channels determined by the Minister and Councils, as the case may be, shall be published in the internet website of the Ministry of Communications and in the internet website of the Second Authority for Television and Radio;
- (4) where the Council were in disagreement as to the channels said in paragraph (2) or (3), the Minister shall decide on the matter;
- (5) during the period commencing on the Determining Date and ending as set out below, the following channels shall not be included among the channels or the lists of channels said in paragraphs (1) through (3):
 - (a) channel 22 – at the end of three years from the date on which there are no remaining Franchisees for Television Broadcasting on Channel 2;
 - (b) channel 10 - at the end of three years from the date on which there are no remaining Franchisees for Television Broadcasting on the Third Channel or from the date on which a Television Broadcasting Licensee has ceased to use channel 10, if the Minister has permitted a Television Broadcasting Licensee to continue to use channel 10 under the provisions of section 71E(h) of the Second Authority Law.

(g)

- (1) The channel, not being an Existing Channel, on which the Broadcasts of a Television Broadcasting licensee shall be transmitted by a holder of a General Cable Broadcasting License, shall be determined in the manner set out in section 37D(b) of the Second Authority Law, from among the channels listed on the lists of channels said in subsection (f); the Councils may transfer the said Broadcasts, for reasons that justify this, to a different channel, provided that the other channel determined is also from among the channels listed on the said lists of channels;
- (2) where a Television Broadcasting Licensee was permitted to use a channel, in accordance with the provisions of section

37D of the Second Authority Law, the Council shall direct a holder of a General Cable Broadcasting License to cease using that channel until a date, of which it shall be informed, in order to enable the commencement of the Broadcasts of the said Television Broadcasting Licensee on that channel.

6V. Broadcasts in cases of emergency

In cases of emergency or for reasons of state security, the Minister may direct a Cable Broadcasting Licensee to broadcast announcements on behalf of the government, Israel Police, the General Staff of the Israel Defense Forces and the Head of Civil Defense.

Article F: (Repealed)

6W. (Repealed).

Article G: Restrictions on Broadcasts

6X. Prohibition on commercial advertisements

- (a) No Cable Broadcasting Licensee shall include commercial advertisements in its Broadcasts.
- (b) At the end of five years from the date of commencement of this Chapter, the Minister may, after having consulted with the Council and with the approval of the government and the Committee, permit the broadcasting of commercial advertisements by a Cable Broadcasting Licensee; no Cable Broadcasting Licensee shall broadcast said advertisements except at the time, on the conditions and in the manner that shall be prescribed by the Council by rules.

6X1. Sound intensity of commercial advertisements, promos and other Broadcasts

No Cable Broadcasting Licensee, including a Dedicated Channel Broadcaster funded by commercial advertisement Broadcasts, shall broadcast, on a channel produced primarily for the public in Israel, any commercial advertisement, promo or other type of Broadcasts determined by the Council by rules, at a sound intensity level exceeding the standard range of sound intensity in Broadcasts which are not commercial advertisements, promos or other said types of Broadcasts, as prescribed by the Council by rules; in this section, "Promo" – as defined in section 6HH1(g)(3), including a cross-promo, as defined in that section.

6Y. Prohibited Broadcasts

No Cable Broadcasting Licensee shall broadcast Broadcasts –

- (1) which are films or plays that have not been approved for presentation, under any law, by the Films and Plays Review Council, within its meaning in the Cinematograph Films Ordinance;
- (2) that include obscene publications within their meaning in the Penal Law, 5737-1977, including broadcasts that involve one of the following:
 - (1) the display of sexual relations involving violence, abuse, debasement, degradation or exploitation;
 - (2) the display of sexual intercourse with a minor or with a person purporting to be a minor;
 - (3) the display of a person or any of his organs as an object that is available for sex;

and all where the broadcasts listed in subparagraphs (1) through (3) are clearly not of artistic, scientific, news, educational or advocacy value which justifies, in the circumstances of the matter, the broadcasting thereof;

- (2a) (repealed);
- (3) that are political party propaganda;
- (4) that involve racist or nationalistic incitement;
- (5) that constitute a violation of copyright or performers' rights under any law.

Article H: (Repealed)

6Z. (Changed to section 17A)

6AA. (Repealed).

6BB. (Changed to section 21A).

6CC. (Changed to section 21B).

6DD. (Changed to section 21C).

6EE. (Repealed).

6FF. (Repealed).

6GG. (Repealed).

Article I: The Transmission of Broadcasts and Dedicated Channels

6HH. Transmission of Broadcasts

- (a) Where the Council has granted a Special Cable Broadcasting License, a holder of a General Cable Broadcasting License shall transmit the Broadcasts of the holder of the Special Cable Broadcasting License through the Broadcasting HeadEnd available thereto, and for this purpose, the Minister may give instructions to any licensee as he deems appropriate, provided that the capacity designated for Broadcasts available to the holder of the General Cable Broadcasting License shall be no less than five sixths.
 - (a1) The Minister, after having consulted with the Council and with the approval of the Committee, may set priorities with respect to Dedicated Channels.
 - (a2) (Repealed).
 - (a3) The Minister, after having consulted with the Council and with the approval of the government and the Committee, may prescribe that a Dedicated Channel Broadcaster may fund its Broadcasts by commercial advertisement Broadcasts in accordance with the provisions applying, in this regard, in section 6HH1.
- (b)
 - (1) The provisions of section 5 shall apply, *mutatis mutandis*, to use said in subsection (a); the Minister's decision may be appealed to a competent court of law; the Minister's decision shall be given within a reasonable period not exceeding one year;
 - (2) the provisions of paragraph (1) shall not apply to a Dedicated Channel Broadcasts under section 6HH1.
- (c) A holder of a General Cable Broadcasting License shall allocate, without consideration, one of the channels of the HeadEnd available thereto, for the Broadcasts of the Educational Television, all of which for the period ending at 1 Tevet 5766 (1 January 2006); however, the Minister of Education and the Minister of Finance may, if they deem it appropriate, set a later date; the manners of use of the channel shall be prescribed by the Council.

The provisions of subsection (a) shall be in addition to the provisions of section 5.

6HH1. License for a Dedicated Channel Broadcaster

- (a) The Council may grant a Special Cable Broadcasting License to a Dedicated Channel Broadcaster, to a person chosen by it though a

tender published by it, and in this regard the provisions of section 6H shall apply.

- (b) With an aim to bring about a multiplicity of the parties involved in Broadcasting to the public, the Council shall prescribe, in a tender under subsection (a), conditions for and restriction on the Holding, transferring or purchasing of rights in the Dedicated Channel Broadcaster, including by a person broadcasting Broadcasts to the public under any law or a Channel Producer, or an Interested Party in any of them, all of which directly or indirectly.
- (c) The Council may prescribe, in the terms of the tender, conditions for and restrictions on the funding of the Broadcasts of a Dedicated Channel Broadcaster in ways other than through commercial advertisement Broadcasts; where the Dedicated Channel Broadcaster may fund its Broadcasts by commercial advertisement Broadcasts and through additional ways of funding, the additional ways of funding shall also be brought to the approval of the government and the Committee as said in section 6HH(a3), *mutatis mutandis*.
- (d) In regard to a Dedicated Channel funded by commercial advertisement Broadcasts, the Council shall prescribe in the tender and by rules conditions and restrictions concerning the Broadcasts of a channel under this section, ensuring that a fitting expression shall be provided having regard to the prescribed special dedication or to the characteristics unique to that channel, including that some of the Broadcasts, the percentage of which shall be no less than 20%, shall be Local Productions; the Council, with the approval of the Committee, may prescribe a lower percentage of Local Productions, if it concludes that special circumstances for doing so exist, or that the nature of the channel or the character thereof require it.
- (e)
 - (1) In regard to a Dedicated Channel funded by commercial advertisement Broadcasts the target audience of which is differentiated by language, the Council shall prescribe in the tender terms ensuring that all of the Broadcasts, including commercial advertisements, indicated in the successful bidder's bid, are in the language of the channel, by means of speech, dubbing or subtitles;
 - (2) at least half of the Broadcast said in paragraph (1), excluding commercials, shall be in the language of the channel, by means of speech, dubbing or subtitles, and at least half of the said portion shall be on prime time.
- (f) The Council may apply to a Dedicated Channel Broadcaster some or all of the rules prescribed by it concerning Cable Broadcasting Licensees, and it may prescribe special rules concerning the Broadcasts of a Dedicated Channel Broadcaster, generally or with

respect to a certain Dedicated Channel Broadcaster, including that some of the Broadcasts be Local Productions.

(g) The Council may direct, in respect of a Dedicated Channel funded through commercial advertisement Broadcasts – additional or other rules, including rules in respect of the following matters:

- (1) the separation of commercial advertisement Broadcasts from Broadcasts that are not commercial advertisements, and the position of commercial advertisement Broadcasts within broadcasts that are not commercial advertisements;
- (2) a prohibition on the preference of an advertiser solely due to its commercial advertisement being produced by the Dedicated Channel Broadcaster or by any person on its behalf;
- (3) the maximum broadcast time that a Dedicated Channel Broadcaster may allocate to commercial advertisement Broadcasts and to Promo Broadcasts or to Cross-Promo Broadcasts within each broadcast hour; for the purpose of this paragraph –

"Promo" – a broadcast conveying information on the channel on which it is broadcast or on other broadcasts on that channel;

"Cross-Promo" – a broadcast conveying information on another channel or on broadcasts thereon;

- (4) limitations on the sale of commercial advertisement broadcast time to another person;
- (5) prohibited commercial advertisement Broadcasts, and subjects the broadcasting of which as commercial advertisement Broadcasts is prohibited, generally or in certain circumstances or due to their being distasteful or offensive to the public feelings, including to the feelings of the target public;
- (6) the format of commercial advertisement Broadcasts and the manner of the presentation thereof;
- (7) the timing of commercial advertisement Broadcasts within the broadcasts, the maximum length of time for each said commercial advertisement Broadcast, and the time intervals between different commercial advertisement Broadcasts, with the intention of broadcasting all of the commercial advertisement Broadcasts in a batch;
- (8) the types of broadcasts the broadcasting of which may be interrupted for the purpose of Broadcasting commercial advertisement broadcasts;

- (9) restrictions on the broadcasting of incidental commercial advertisements, hidden commercial advertisements and subliminal commercial advertisements;
 - (10) restrictions applying to Officers in a Dedicated Channel Broadcaster or in a licensee, concerning their participation in commercial advertisement Broadcasts;
 - (11) restrictions on the advertising of products and services, whether in respect of categories of subjects or generally, on their prices and the manner of comparison between them, with an aim to ensure the broadcasting of credible information and fair competition;
 - (12) restrictions concerning commercial advertisements targeting children, including the manner of presentation thereof and the hours on which they are broadcast;
 - (13) restrictions concerning the participation of children in commercial advertisement Broadcasts;
 - (14) restrictions concerning the broadcasting of commercial advertisements which are not Local Productions; in this paragraph, a commercial advertisement Broadcast shall be deemed to be a television program, for the purpose of the definition of "Local Production";
 - (15) restrictions concerning the use of the body of a person in a manner violating human dignity;
 - (16) a requirement to obtain prior approval of transcript copies and films of commercial advertisement Broadcasts, and the imposition of conditions concerning Broadcasts or the imposition of conditions, that it shall stipulate, for the grant of approval for the broadcasting thereof.
- (h) The Minister may prescribe provision concerning the procedure for holding a tender for the selection of a Dedicated Channel Broadcaster under subsection (a), the manner of submission of bids for the tender and of the handling thereof, the ways and times for providing information on the results of the tender and the procedure for granting a license.
 - (i) The provisions of sections 6K and 6L shall apply to a Dedicated Channel Broadcaster, *mutatis mutandis*.
 - (j) The Minister shall prescribe, with the consent of the Minister of Finance, the royalty rates and license fees that shall be paid to the State by persons who have received a license under this section, taking into consideration the type of the channel, the ways of the funding it and the nature of its Broadcasts.

6HH2. Revocation of advertising time

- (a) The Council may revoke, on times that it shall prescribe, some or all of the advertising time of a Dedicated Channel Broadcaster funded by commercial advertisement Broadcasts, who has violated, in its Broadcasts, one of the rules of the Council or directives given thereunder, or who has broadcast prohibited Broadcasts, within their meaning in section 6Y (hereinafter – a Broadcast in Violation), as follows:
 - (1) for every minute of Broadcast in Violation – one minute of commercial advertisement Broadcasts, provided that the total revocation due to the broadcasting of one program as aforesaid, shall not exceed the maximum broadcast time prescribed therefor for broadcasting commercial advertisement Broadcasts;
 - (2) for a Broadcast in Violation not exceeding, in length, one minute – up to a minute of commercial advertisement Broadcasts.
- (b) Where the Council has ordered the revocation of advertising time, a Dedicated Channel Broadcaster shall not broadcast commercial advertisement Broadcasts during the time ordered by the Council.
- (c) The Council shall notify a Dedicated Channel Broadcaster funded by commercial advertisement Broadcasts of its intention to revoke time slots as said in subsection (a) at least twenty four hours prior to the carrying out of the revocation.
- (d) The Council may prescribe rules for the carrying out of this section.

6HH3. Dedicated Channel in the Arabic language

- (a) Where a license for broadcasting a Dedicated Channel in the Arabic language has been granted, and in order to ensure maximum access to Broadcasts in the Arabic language, the said broadcaster of the said channel may broadcast it in the format of satellite television Broadcasts, intended for direct, unscrambled reception by any person, whether or not he is a Subscriber, and provided that it has notified the Minister and the Council of the date on which it shall commence broadcasting in the said format.
- (b) After two years from the date of commencement of Broadcasting in the format said in subsection (a), the Broadcaster of the Dedicated Channel in the Arabic Language shall be considered as having received a Television Broadcasting License under the Second Authority Law, the terms of which are the terms included in its license, and all of the Council's powers under this Law in respect thereof shall be vested in the Second Authority for Television and Radio under the said law.

- (c) The Minister may prescribe rules and arrangements for the carrying out of the provisions of subsection (b), including the adjustments necessary due to the transition from a license under this Law to a license under the Second Authority Law, and he may, with the consent of the Economic Affairs Committee of the Knesset, defer the commencement date of the provisions of subsection (b), prescribe, provided that the total period of deferment shall not exceed two years.

6II. (Repealed).

Article J: Miscellaneous

6JJ. **Use of income**

- (a) A Cable Broadcasting Licensee shall pay license fees, royalties and as he shall other payments, at such rates as the Minister shall set in regulations, after consultation with the Council.
- (b) The said license fees, royalties and other payments shall be used for covering the expenses required for the carrying out of the provisions of this Law, including for the maintaining of community Broadcasts and the encouragement of Local Productions under section 6E and 6E1. Any excess of income over disbursements shall be deposited in the state treasury. The Minister, with the consent of the Minister of Finance and with the approval of the Economic Affairs Committee of the Knesset, may give instructions for the purpose of the carrying out of this subsection.

6KK. **Penalties**

- (a) If a person violates the provisions of sections 6G, 6Y(1), (2), (3) and (4) or 6RR, then he shall be liable to three years imprisonment or to a fine of NIS 8,913,000.
- (a1) (Repealed).
- (b) If a member of the Council violates the provisions of section 6C, then he shall be liable to one year's imprisonment.
- (c) If a person prevents or hinders the carrying out of Broadcasts or obstructs the carrying out thereof, in any way whatsoever, then he shall be liable to three years imprisonment.
- (d) If a person obstructs a Cable Broadcasting Licensee or the agents thereof, on his own or through others, from lawfully establishing, operating, maintaining, testing or repairing a Broadcasting HeadEnd, then he shall be liable to the fine stated in section 61(a)(2) of the Penal Law, 5737-1977, and in the case of continuing obstruction – an additional fine at the maximum rate stipulated in section 61(c) of the said law, for each day on which it continues.

- (e) If the court concludes that there are reasonable grounds to assume that a person has conducted one of the activities listed in section 6G(a) or (b) without having been granted the appropriate license therefor, it shall order the seizure of the instruments and equipment in respect of which the offense was committed; the provisions of sections 33 through 42 of the Criminal Procedure Ordinance (Arrest and Search) [New Version], 5729-1969, shall apply, *mutates mutandis*, to the said seizure.
- (f) The aforesaid in subsection (e) shall add to powers of seizure under any other law and not derogate therefrom.
- (g) Without derogating from the provisions of Chapter D of the Penal Law, 5737-1977, if a person aids in the installment, operation or maintenance of Broadcasts or aids in the installment or operation of a Broadcasting HeadEnd while knowing or while he should have known, in the circumstances of matter, that they are being unlawfully broadcast and that no license has been granted in respect thereto under this Law or that no permit has been granted in respect thereto under any law, then he shall be liable to six months imprisonment or to a fine of NIS 1,068,000 (hereinafter – "Prohibited Broadcasting HeadEnd" or "Prohibited Broadcasts", as the case may be).
- (h) For the purpose of subsection (g), "Aiding" –
 - (1) participating in Prohibited Broadcasts, including reading, speaking orally not from a written text, playing musical instruments and acting, or participating in a taping for the purpose of said Broadcasts;
 - (2) supplying broadcasts for programs for Prohibited Broadcasts, including the supply of records, motion picture and television films, magnetic and audio recording tapes, and the writing of work for the purpose of said Broadcasts;
 - (3) supplying news, news items or Commercial Advertisement Broadcasts for Prohibited Broadcasts or for a Prohibited Broadcasting HeadEnd, the ordering thereof or paying therefor;
 - (4) managing a business intended for the enabling of Prohibited Broadcasts, including aiding in the management of a said business;
 - (5) funding activities in and Broadcasts of a Prohibited Broadcasting HeadEnd;
 - (6) technically assisting a Prohibited Broadcasting HeadEnd, the operation thereof and the maintenance of Prohibited Broadcasts;
 - (7) brokering between an operator of Prohibited Broadcasts, the owner or possessor of a Prohibited Broadcasting HeadEnd and suppliers of news or news items or persons

- who are engaged in advertising or who are interested in advertising;
- (8) employing a person on the staff of a Prohibited Broadcasting HeadEnd;
 - (9) representing or brokering of or on behalf of the operator, owner or possessor of a Prohibited Broadcasting HeadEnd in respect of the activities listed in paragraphs (1) through (8);
 - (10) authorizing the use of premises for the Broadcasts of a Prohibited Broadcasting HeadEnd.
- (i) Where a Commercial Advertisement Broadcast has been included in Prohibited Broadcasts, and without derogating from the liability of any person for the broadcasting of a said Commercial Advertisement Broadcast, it shall constitute *prima Facie* evidence that the broadcast had been supplied, ordered or paid for by a person whose business or goals may be promoted by the content thereof, unless it has proved the following:
- (1) it has taken all reasonable measures in order to prevent the broadcasting of the broadcast;
 - (2) the broadcast was broadcast without its knowledge;
- (j) For the purpose of subsection (h)(3) and for the purpose of subsection (i), "Commercial Advertisement Broadcast", including Broadcasts funded by a political party or other bodies, and election propaganda.
- (k) For the purpose of this section, "Broadcasting HeadEnd" - including a Satellite Broadcasting Facility as defined in section 6QQ.

6LL. Regulations and rules

- (a) Regulations under this Chapter shall require the approval of the Committee.
- (b) The Minister may request the Council to prescribe rules concerning a matter that he shall define in his demand; if the Council does not prescribe said rules within sixty days following the said request, the Minister may make rules in its stead.

6LL1. Obligation by virtue of a decision of the Council

A decision taken by the Council in accordance with its powers, in a matter concerning a Cable Broadcasting Licensee, which has not been published in *Reshumot*, shall be binding on the licensee after it has been brought to its knowledge in writing.

6MM. (Repealed).

6NN. **Joint Productions**

Subject to the provisions of any law, and for the purpose of the carrying out of the provisions of section 6E1(a)(1), some or all of the holders of a General Cable Broadcasting License may contract with each other (hereinafter – Joint Contract), for the purpose of the purchase or Local Production, whether In-house or purchased, of broadcasts on subjects that are not unique to a particular Area; in this section, "Joint Contract" – including a contract between holders of a General Cable Broadcasting License and a Channel Producer or any other person.

6OO. (Repealed).

CHAPTER B2: SATELLITE TELEVISION BROADCASTING

Article A: Licensing

6QQ. **Definitions**

In this Chapter –

"Means of Control", "Interested Party" and "Channel Producer" – within their meaning in section 6A;

"Satellite Broadcasting Licensee" – a person who has received a license under this Chapter for broadcasting Satellite Television Broadcasts;

"The Council" – the Council appointed under section 6B;

"Satellite Broadcasting Facility" – a facility or apparatus broadcasting or intended for the broadcasting of a satellite broadcast;

"Independent Channel Producer" – a person who seeks to use one of the channels of a Satellite Broadcasting Licensee in accordance with the provisions of section 6ZZ, for the purpose of broadcasting its channel through a Satellite Broadcasting Licensee;

"Satellite Terminal Equipment" – means for receiving Satellite Television Broadcasts, including means used for the operation of bi-directional and interactive services, installed on the premises of the receiver of the Broadcasts;

"National Broadcasts" – Broadcasts intended, under law, for reception nationwide, with national deployment;

"Satellite Broadcast" – the feeding of a Satellite Broadcasting Facility with television Broadcasts intended for the public, including through another person;

"Satellite Television Broadcasts" – television Broadcasts, video or audio services and ancillary services intended for the public, including two-directional and interactive services broadcast in code by means of satellite and

that are intended for direct, decoded reception, to subscribers, whether over a single channel or over a multi-channel system;

6RR. Obligatory licensing

- (a) For the purpose of this section, "Satellite Televisions Broadcasts" – as defined in section 6QQ, and including Satellite Televisions Broadcasts that are not in code or that intended for decoded reception by any person, whether or not he is a subscriber.
- (b) No person shall broadcast Satellite Television Broadcasts, received in Israel and primarily intended for the public in Israel or to part thereof, unless it has received a license from the Minister under this Chapter, or it may do so under any law.
- (c) No Israel Citizen and no Israel resident shall broadcast, abroad, Satellite Television Broadcasts that are received in Israel and primarily intended for the public in Israel or to part thereof, unless it has received a license from the Minister under this Chapter, or it may do so under any law; for this purpose, "Israel Citizen" – including a corporation registered in Israel.
- (d) No person shall install, operate or maintain a Satellite Broadcasting Facility unless it has obtained a license therefor from the Minister under section 4 and in accordance with the terms and conditions thereof.
- (e) The provisions of the Ordinance shall apply to a licensee under this Chapter.

6SS. Broadcasts intended primarily for Israel

For the purpose of subsections 6RR(b) and (c) –

- (1) Broadcasts, at least half of which are in the Hebrew language, be it by speech, dubbing or subtitles, Broadcasts that, during prime time, generally include Broadcasts in the Hebrew language as aforesaid, and Broadcasts that generally include commercial advertisement Broadcasts for products or services primarily marketed in Israel, are presumed to be intended primarily for the public in Israel;
- (2) a Satellite Broadcast originating in Israel is presumed to be primarily intended for the public in Israel, unless it has been proven, to the satisfaction of the Minister, that the Broadcasts, according to their nature and content, are not primarily intended for the public in Israel.

6TT. License and tender

- (a) The Minister may, after having consulted with the Council, grant a Satellite Broadcasting License to a person who has submitted an application for a license and has met the conditions imposed under

section 6VV(a), and he may direct that a Satellite Broadcasting License also be granted by way of a tender; where the Minister has directed as aforesaid, the Council, the Tenders Committee and the Minister may grant a Satellite Broadcasting License to the person selected by the Council in the tender published by it.

- (b) No Satellite Broadcasting Licensee shall be granted exclusivity in Satellite Television Broadcasting; however, if the Minister has decided to grant a license by way of a tender, he may prescribe, in the terms thereof, a period not exceeding 5 years, for which any person winning the tender shall be granted exclusivity.

6UU. Qualifications to obtain a license

The Minister shall only grant a Satellite Broadcasting License to a person for whom the following, at the very least, hold true for the applicant:

- (1) he is an Israel Citizen or an Israel resident, or if it is a corporation registered in Israel – Means of Control thereof, directly or indirectly, at the rate prescribed by the Minister by regulations as said in section 6VV(c), are held by an Israel Citizen or an Israel resident;
- (2) he has not been convicted of an offense that because of its severity or circumstances he is prevented, in the opinion of the Government's Legal Counsel, from obtaining a said license, and if it is a corporation – neither its executive nor any Interested Party therein has been convicted as aforesaid.

6VV. Procedures and conditions for granting a license

- (a) The Minister may, after having consulted with the Council, prescribe conditions for granting a Satellite Broadcasting License, whether in a tender and its terms or by regulations, including conditions concerning the following matters, and he may impose additional conditions:
- (1) with an aim to bring about a multiplicity of the parties involved in broadcasting Broadcasts to the public – conditions and restrictions on the Holding, transferring or purchasing of Means of Control in the applicant for a Satellite Broadcasting License, including by any person who broadcasts Broadcasts to the public under any law or a Channel Producer, a holder of a license for the provision of Telecommunication Services, or an Interested party in any of them, all of which directly or indirectly;
 - (2) the financial and organizational capability of the applicant for a Satellite Broadcasting License;

- (3) the know-how and professional experience that are at the disposal of the applicant for a Satellite Broadcasting License;
 - (4) the diversity of the Broadcasts and services offered by the applicant for a Satellite Broadcasting License and the choices offered by it to the public;
 - (5) the technology which the applicant for a Satellite Broadcasting License will use for the purpose of Broadcasts and serviced that it will offer to the public, and the manner of reception and access to said Broadcasts and services;
 - (6) the scope of the Broadcasts offered by the applicant for a Satellite Broadcasting License, that shall be Broadcast in Hebrew, be it by speech, dubbing or subtitles, and the hour of the broadcasting thereof, as well as the scope of the Broadcasts of Local Production within its meaning in Chapter B1;
 - (7) the ways of funding the Broadcasts of the applicant for a Satellite Broadcasting License.
- (b) The Minister may prescribe the procedures for the grant of a Satellite Broadcasting License, whether it is granted through a tender or otherwise, including the manner of submission of application and of the handling thereof, information that the applicant for a license must disclose and documents that it must furnish;
- (c) Regulations under this Chapter shall require the approval of the Economic Affairs Committee of the Knesset.

6WW. Terms and conditions of the license

The Minister may, after having consulted with the Council, prescribe terms and conditions in a Satellite Broadcasting License, including terms and conditions concerning the matters listed in section 6VV and the following matters:

- (1) the period of the Satellite Broadcasting License, including the extension thereof;
- (2) specifications of Satellite Terminal Equipment, including with respect to technology, its compliance with the standards and its compatibility with the specifications of the Satellite Broadcasting Facility;
- (3) maximum times and time tables for the contracting of a Satellite Broadcasting Licensee required for maintaining its Broadcasts, including contracting with other licensees and with Channel producers;

- (4) the imposition of an obligation upon a Satellite Broadcasting Licensee to transmit, among its Broadcasts, some or all of the television and radio Broadcasts broadcast in Israel in the form of National Broadcasts,
- (5) an obligation to grant an Independent Channel Producer the right to use the satellite channels of the Satellite Broadcasting Licensee, for the purpose of transmitting its Broadcasts;
- (6) the Satellite Broadcasting Licensee's obligations in all matters concerning the services that it shall provide to the public, including by means of the Satellite Terminal Equipment;
- (7) the maximum prices that the Satellite Broadcasting Licensee may charge a subscriber;
- (8) guarantees that a Satellite Broadcasting Licensee must furnish in order to ensure the fulfillment of the terms of the Satellite Broadcasting License and the manner of the forfeiture thereof;

6WW1. Procedures and conditions for granting a license

- (a) Where the Minister has imposed upon a Satellite Broadcasting Licensee the obligation as said in section 6WW(4), the licensee shall not be liable to pay any payment for the said transmission to the subscribers of the licensee nationwide, to the person whose National Broadcasts are transmitted as aforesaid or to the holders of the copyrights or the performers' rights in those Broadcasts.
- (b) For the purpose of this section and for the purpose of section 6WW(4), "National Broadcasts" – including the channel of the Broadcasts of the Educational Television, which is transmitted on the Broadcasting HeadEnd used for the Broadcasts of a holder of a General Cable Broadcasting Licensee under the provisions of section 6HH(c), as well as the Broadcasts of a Dedicated Channel Broadcaster under section 6HH1.

6XX. Considerations in granting a license

In the grant of a Satellite Broadcasting License and in the stipulation of its terms, the following considerations, *inter alia*, shall be taken into account:

- (a) government policy in the field of Telecommunications and in the field of Broadcasting;
- (b) considerations concerning the public welfare;
- (c) the suitability of the license applicant to broadcast Satellite Broadcasts;
- (d) the contribution of the grant of the license to competition in the field of Telecommunications and Broadcasting, to the increasing and diversification thereof and to the standard of services therein;

6XX1. On-Demand Broadcast

The Minister may, in consultation with the Council and having considered the considerations listed in section 6XX, allow a Satellite Broadcasting Licensee to broadcast On-Demand Broadcasts to subscribers who receive some or all of its Broadcasts, if he has found that there is a difficulty in broadcasting by means of satellite Broadcasts that may be viewed at any time, according to the subscriber's selection, in a scope and format similar to those of On-Demand Broadcasts provided by a holder of a General Cable Broadcasting License; in this section, "General Cable Broadcasting License" and "On-Demand Broadcasts" – as defined in section 6A.

6YY. Rights of a Franchisee

- (a) A person who had been a cable television broadcasting franchisee on 3 Tevet 5758 (1 January 1998), and who believes that its rights have been violated due to the grant of a Satellite Broadcasting License, may request the Minister that, while taking into consideration the extent of the violation of its rights, the period of its franchise be extended or a permit for the provision of other services be granted thereto under any law, all as shall be prescribed by the Minister.
- (b) If the Minister has found that the a Cable Broadcasting franchisee has been injured, he shall decide on the request said in section (a), taking into consideration extent of the injury and having regard, *inter alia*, to the following –
 - (1) the period remaining until the end of the period of the franchise;
 - (2) the date of the actual commencement of the Broadcasts and services by virtue of the Satellite Broadcasting License;
 - (3) the extent of the deployment of the Cable Network in the franchise area;
 - (4) the technological capability of the Cable Broadcasting franchisee to offer the Broadcasts and services of a Satellite Broadcasting Licensee to its subscribers;
 - (5) permits and concessions that were incorporated in the terms of the franchise received by the franchisee, during the period of the franchise.
- (c) The provisions of section 6I(a)(a) shall not apply for the purposes of this section

6YY1. News Broadcasts

- (a) No news Broadcasts shall be included among the Broadcasts of a Satellite Broadcasting Licensee or in the Broadcasts of an

Independent News Producer; for the purpose of this section, "News Broadcasts" – news and newscasts, excluding national news Broadcasts broadcast or transmitted under law, or news Broadcasts on channels originating abroad that have been approved by the Council.

- (b) Notwithstanding the provisions of subsection (a), the Council may approve the request of a licensee to transmit to its subscribers News Broadcasts or current events programs, and the provisions of section 6T2 shall apply, *mutatis mutandis*.

6ZZ. Application of rules to a licensee

The Council may prescribe, by rules, that rules that it had prescribed concerning a holder of a General Cable Broadcasting License, or all or some of the provisions of Articles B and E of Chapter B1 shall apply to a Satellite Broadcasting Licensee, and it may prescribe special rules concerning a certain holder of a Satellite Broadcasting Licensee or concerning all of the holders of a said license, on the matters said in section 6E(1), with the modifications necessary to make them applicable to the nature of cable television broadcasting.

6AAA. Application of rules to a Channel Producer

Where a Satellite Broadcasting Licensee has contracted with a Channel Producer for the purpose of including its Broadcasts among the Broadcasts offered by the Satellite Broadcasting Licensee, the terms and conditions prescribed in the license and rules prescribed by the Council, from among the rules and terms and conditions that apply to the Satellite Broadcasting Licensee, shall apply to the Satellite Broadcasting Licensee and the Channel Producer, jointly and severally, all as shall be prescribed by the Council.

6BBB. Transmission of radio Broadcasts

- (a) A Satellite Broadcasting Licensee may contract with a person who broadcasts radio Broadcasts broadcast in Israel as nationwide Broadcasts and in respect of which the Minister has not prescribed conditions under section 6WW(4), for the purpose of including the radio Broadcasts among the Broadcasts of the Satellite Broadcasting Licensee.
- (b) A Satellite Broadcasting Licensee may contract with a person who broadcasts regional radio Broadcasts, broadcast in Israel under any law, for the purpose of including the radio Broadcasts among the Broadcasts of the Satellite Broadcasting Licensee.

6CCC. Use of a licensee's channel by an Independent Channel Producer

37. Should a Satellite Broadcasting Licensee and an Independent Channel Producer not reach agreement on the transmission of the Broadcasts of a Independent Channel Producer on one of the channels of a Satellite Broadcasting Licensee, the Minister may, after consultation with the Council and after considering public interest and the interest of the Satellite Broadcasting Licensee, including the origin of the Broadcasts, the percentage of Local Production among the Broadcasts of the Producer of the Independent Channel and the extent to which they are intended for the public in Israel, require the Satellite Broadcasting Licensee to enable the Independent Channel Producer to use one of the channels of the Satellite Broadcasting Licensee, the distribution of its Broadcasts and the access of subscribers thereto, and prescribe the manner of use of that channel and the location and scope thereof.

(b)

- (1) The provisions of section 5(d) and (e) shall apply, *mutatis mutandis*, to the use of one of the channels of a Satellite Broadcasting Licensee as aforesaid;
- (2) Notwithstanding the aforesaid in paragraph (1), no Satellite Broadcasting Licensee shall charge a payment for transmitting the Broadcasts of a Dedicated Channel Producer, as defined in section 6A.

(c) The Council shall prescribe conditions and rules that shall apply to an Independent Channel producer who broadcasts on one of the channels of a Satellite Broadcasting Licensee, whether it broadcasts in agreement with the said licensee or under the provisions of subsections (a) and (b); rules and conditions prescribed by the Council may be among those prescribed by it under sections 6ZZ and 6AAA, and they may be special rules and conditions.

6DDD. Royalties and license fees

- (a) The Minister, with the consent of the Minister of Finance, shall prescribe the rate of the royalties and license fees paid to the State by persons who receive a Satellite Broadcasting License under this Chapter.
- (b) If the Minister has prescribed that a Satellite Broadcasting License be granted by way of a tender, he may direct that the selection of the licensee be based, *inter alia* on the amount of the license fees or the rate of the royalties offered by the participants in the tender.

6EEE. Saving of laws

The provisions of sections 6E, 6H(c), 6I1, 6J, 6K, 6T(b), 6T1, 6V, 6X, 6X1, 6Y, 6JJ(b), 6LL(b) shall apply to a Satellite Broadcasting Licensee, a Channel Producer and an Independent Channel Producer, and the provisions of sections 6E1, 6K1, 6K2, 6U1 and 6LL1 shall apply to a Satellite Broadcasting Licensee, all *mutatis mutandis*; however, the period said in section 6X(b) shall not apply for purposes of Broadcasts under this Chapter.

6FFF. Definitions and interpretation

(a) In this section –

"Rooftop of a Building", in the case of a tiled roof – including the upper part of the building's wall, adjacent to the tiles;

"Reception Dish" – an antenna for the reception of satellite television Broadcasts, which constitutes part of Satellite Terminal Equipment, including the device for the antenna;

"Satellite Television Broadcasting" – television Broadcasts, video or audio services and ancillary services, intended for the public and broadcast by means of satellite, whether they are broadcast in code and intended for direct and decoded reception, to subscribers, or not broadcast in code. Or intended for unscrambled reception by any person, all of which even if he is not a subscriber of a holder of a Television Broadcasting Franchise or of a holder of a Television Broadcasting License, under any law.

(b) Other terms in this Article shall have the meaning assigned thereto in section 17A.

6GGG. Installation of a Reception Dish – special provisions

(a) The installation of a Reception Dish shall be carried out in accordance with the provisions of this Article.

(b) The installation of a Reception Dish on the rooftop of a building carried out under section 266A of the Planning and Building Law, 5725-1965 (hereinafter – the Planning and Building Law) is exempt from a permit under Chapter E of the said law.

6HHH. Installation of a Reception Dish in a condominium

(a) Where the rooftop of a condominium is not common property, then the Inspector of Condominiums may permit the installation of the Reception Dish on the said rooftop if the following hold true:

(1) the owner of an apartment in the condominium (hereinafter – the Person Requesting the Installation) and the owner of the rights in the roof have not reached agreement on the installation itself, or on the terms thereof, within 30 days

- from the date on which the Person Requesting the Installation made a written request to the owner of the rights in the roof;
- (2) the Person Requesting the Installation applied to the Inspector, in writing, requesting permission to install the Reception Dish on the rooftop;
 - (3) the Person Requesting the Installation has proved that the installation of the Reception Dish elsewhere, on the common property, is not possible, or that it will impair the reception of the Broadcasts itself.
- (b) The Inspector may permit the installation of the Reception Dish as aforesaid on conditions and subject to provisions that he shall stipulate, including in the event that the owner of the rights in the roof is interested in removing the Reception Dish from the rooftop or relocating it to another place on the roof in order to enable the performance of construction work on the rooftop by virtue of a building permit under the provisions of the Planning and Building Law.
- (c) If the Inspector has decided on the installation of a Reception Dish in accordance with the provisions of subsection (b), it shall be possible to apply to the Inspector requesting him to change his decision, if the circumstances have changed and the that change may change his decision.
- (d) The provisions of Article D of Chapter F of the Land Law shall apply to the hearing before the Inspector under this section as well.

6III. **Application of provisions**

- (a) The provisions of sections 21B, 21C and 22 shall apply in regard to the installation of a Reception Dish, with the necessary changes, which shall include the following:
- (1) the words "Satellite Broadcasting Licensee" shall replace the word "licensee"; for the purpose of this section, "Satellite Broadcasting Licensee" – including another installer of a Reception Dish, *mutatis mutandis*;
 - (2) the word "install" or "installation" shall replace the word "lay" or "laying"; the words "Satellite Terminal Equipment" shall replace the words "Cable Network";
 - (3) in section 21B –
 - (a) in subsection (b), the words "or which may impair the reception of the Broadcasts itself" shall be added at the end of the definition of "Special Provision";

(b) the words "or impair the reception of the Broadcasts itself" shall be added at the end of subsection (b1)(3)(a).

- (b) The provisions of section 12 of the Land Law shall not apply in regard to Terminal Satellite Equipment.
- (c) The provisions of the Local Authorities (Television and Radio Antenna Poles) Law, 5736-1975, shall not apply in regard to the installation of a Reception Dish under this Article.

6JJJ. Prohibition of provision of Broadcasts

A Cable Broadcasting Licensee shall not provide its services to a subscriber whose Reception Dish has been installed in violation of the provisions of section 145 or 266A of the Planning and Building Law, provided that the licensee knew about the violation.

CHAPTER C: (REPEALED)

- 7. (Repealed).
- 8. (Repealed).
- 9. (Repealed).
- 10. (Repealed).

CHAPTER D: TELECOMMUNICATION ACTIVITIES AND PROVISION OF TELECOMMUNICATION SERVICES BY A LICENSEE

11. Obligation to carry out Telecommunication Activities and provide Telecommunication Services

- (a) A licensee shall conduct Telecommunication Activities and provide Telecommunications Services in a proper and regular manner under the license that has been granted thereto and under the regulations and rules made under this Law.
- (b) If the Minister concluded that a Licensee acts in a manner that may cause an impairment to the proper and regular provision of Telecommunication Services, or that its activity may cause significant impairment to competition in the field of Telecommunications, he may, after affording it an opportunity to voice its contentions, give instructions to the Licensee in respect to acts that it shall carry out in order to prevent that impairment; In this subsection, "Licensee" – including a Broadcasting Licensee that offers a cluster of services which include Broadcasting and a Telecommunication Service.

11A. **Issue of directives for prevention of immediate impairment**

- (a) Notwithstanding the provisions of section 11(b), if the Minister concludes that due to the act of a licensee said in that subsection there is suspicion that immediate impairment is liable to be caused to the proper and regular provision of a Telecommunication Service, or to competition in the field of Telecommunications, then he may issue directives to the licensee in respect to acts that it must carry out or acts that it must abstain from carrying out in order to prevent that impairment, even if the Licensee had not been afforded an opportunity to voice its contentions, provided that said directives shall come into effect after the Licensee is afforded an opportunity to address the directives of the Minister within two working days; as soon as possible, in the circumstances of the matter, after the effective date of the directives, the Licensee shall have an opportunity to voice its contentions under the provisions of section 11(b) (in this section – the Hearing Process).
- (b) The directives of the Minister under subsection (a) shall be issued for a period not exceeding six months from the date on which the Licensee delivers to the Minister all the information and documents requested by the Minister.
- (c) If the Minister finds, at the end of the Hearing Process, that the reasons for issuing directives under section 11(b) hold true, then he may confirm the directives under subsection (a) or change them, and they shall be deemed as if they had been issued under section 11(b).

12. **Conduct of Telecommunication Activities and provision of Telecommunication Services and restrictions thereon**

- (a) Subject to the provisions of subsection (a1), the Minister shall prescribe by regulations, with the approval of the Economic Affairs Committee of the Knesset, the cases and conditions in and on which a licensee may discontinue, delay or restrict Telecommunication Activities that it carries out or Telecommunication Services that he provides.
- (a1)
 - (1) A Licensee who has disconnected a subscriber's service due to non-timely payment of the bill in respect of the payments charged and debts owed for services that he has received from the Licensee, shall not discontinue, delay or restrict a subscriber's service for Telephone Calls to Emergency Hotlines for a period of two months from the date on which the service was disconnected;
 - (2) nothing in the provisions of paragraph (1) –

- (a) shall prevent a Licensee from charging payment for a telephone line the telephone line available to the subscriber during the period said in that paragraph;
 - (b) derogate from the right of a subscriber to request a Licensee to completely discontinue a Telecommunication service.
- (3) In this subsection –
 - "Licensee" – a holder of a General License for the provisions of Domestic Fixed-Lined Telecommunication Services;
 - "Disconnection of Service" – a temporary discontinuation of a Telecommunication Service;
 - "Telephone Call to Emergency Hotlines" – a call of a Licensee's subscriber to the Police, Magen David Adom or Fire Department hotline.
- (b) Subject to the provisions of Chapter E, the Minister may prescribe, by regulations, with the approval of the Economic Affairs Committee of the Knesset, provisions in regard to –
 - (1) the manner of performance of Telecommunication Activities and provision of Telecommunication Services, priorities with regard to the installation of Telecommunications Facilities on the premises of subscribers, the determination of Service Areas and special condition for the provision of Telecommunication Services to localities, groups or individuals;
 - (2) the operation of Telecommunication Services and the management thereof; and also in regard to the standard and quality of the services;
 - (3) the manner of maintenance of Telecommunications Facilities and the protection thereof;
 - (4) the authority of a licensee to conduct Telecommunication Activities and to provide Telecommunication Services through others on its behalf, and the conditions therefor;
 - (5) reporting obligations that shall apply to a licensee or to any person acting on its behalf in the performance of Telecommunication Activities and the provision of Telecommunication Services.
- (c) (Repealed).

12A. **Telecommunication Services for Emergency Hotlines Providing Assistance to Victims of Sexual Assault and Emotional First Aid**

- (a) A call from a subscriber of a Licensee to an Emergency Hotline Providing Assistance to Victims of Sexual Assault or an Emergency Hotline for Emotional First Aid shall be at no charge.
- (b) The existence of a call said in subsection (a) shall not be indicated in the detailed bill, containing details of calls, sent to the subscriber, and shall not be disclosed to the person entitled to receive a said detailed bill.
- (c) No Licensee, nor any of its employees, whom information on the existence of a call said in subsection (a) had reached, shall disclose to another person any information on the caller or the call, and no such information shall be used, except in accordance with the provisions of any law or under a court order.
- (d) The provisions of this section shall also apply to any call made from any public payphone of a Licensee.
- (e) In this section –
 - “Licensee” – as defined in section 5B(f);
 - “Emergency Hotline Providing Assistance to Victims of Sexual Assault” – a telephone emergency hotline of a public institution designated for the purposes of section 46 of the Income Tax Ordinance, the main activity of which is providing assistance to victims of sexual assault, and which is one of the following:
 - (1) Upper Galilee Rape Crisis Center (Registered *Amuta*);
 - (2) Women Against Violence- Nazareth Crisis Center , in Nazareth;
 - (3) Haifa Rape Crisis Center (Registered *Amuta*);
 - (4) Rape Crisis Center – HaSaron (Registered *Amuta*);
 - (5) Tel Aviv Sexual Assault Crisis Center (Registered *Amuta*);
 - (6) Jerusalem Rape Crisis Center in memory of Linda Feldman;
 - (7) Tair Rape Crisis Center (Registered *Amuta*);
 - (8) MASLAN – Women Support Center - Negev;
 - (9) Crisis Center for Religious Women;
 - (10) Al-Ssiwar – the Arabic Feminist Movement in Support of Victims of Sexual Abuse (Registered *Amuta*);
 - (11) any emergency hotline designated for this purpose by the Minister, with the consent of the Minister of Social Affairs and Social Services;

“Emergency Hotline for Emotional First Aid” - a telephone emergency hotline of a public institution designated for the purposes of section 46 of the Income Tax Ordinance, the main activity of which is providing emotional first aid by telephone, and which is one of the following:

- (1) ERAN - Emotional First Aid by Telephone (Registered *Amuta*);

- (2) any emergency hotline designated for this purpose by the Minister, with the consent of the Minister of Social Affairs and Social Services.

13. **Provision of services to the Security Forces**

- (a) In this section -

"Franchisee" – (Repealed);

"Licensee" – as defined in section 1, and also a Broadcasting Licensee and any person who has been granted a license under the Ordinance;

"Satellite Broadcasting Licensee" – (Repealed);

"Security Forces" – any one of the following: the I.D.F. [Israel Defense Force], the General Security Service, the Institute for Intelligence and Special Tasks ["Mossad"], the Israel Police Force and the Israeli Prison Service;

"Facility" - a facility or apparatus, including a Telecommunications Facility;

"Representative of the Security Forces" – the person who has been authorized, for purposes of this section, as a representative of one of the Security Forces, by the person heading that Security Force; "the Ordinance" – (repealed).

- (b) The Prime Minister, in consultation with the Minister, at the request of the Minister of Defense, the Minister of Public Security, the General Security Service or the Institute for Intelligence and Special Tasks ["Mossad"], made for national security or public peace considerations, and after affording the licensee an opportunity to voice its contentions, and having regard to the circumstances of the matter, as well as to the considerations listed in section 4(b) and to the affect of the directive on the Licensee and on its subscribers, may issue a directive to the Licensee, generally or with respect to any particular matter, concerning:

- (1) the provision of a Telecommunication Service to the Security Forces, as shall be prescribed in the directive, and the manner and ways of provisions of the said Telecommunication Service;
- (2) the installation of a facility, the performance of a Telecommunication Activity, or the carrying out of the technological adjustment of a Telecommunications Facility, by the Licensee or by a Representative of the Security Forces with the assistance of the Licensee, including the grant of access to the Facility, to the extent needed for the

- purpose of the carrying out of the duties of the Security Forces or of the execution of their powers under any law;
- (3) compliance with the directives of the General Security Service or the Israel Police Force, in regard to the security classification of certain Officers who are exposed to classified information, or of certain functionaries, or in regard to the keeping of secrets, information security or the protection of equipment and Facilities located at the Licensee's premises; the provisions of this paragraph shall add to the provisions of section 4D and orders made thereunder.
- (c) The payment for the provision of services or the performance of activities said in subsection (b)(1) or (2) shall be fixed by agreement between the Security Forces concerned and the Licensee, based on the reimbursement of reasonable expenses and having regard to the existing price for the service or activity, if any exists; in the absence of a said agreement the payment shall be fixed by a person appointed by the Government's Legal Counsel, to the extent possible with the consent of the parties, and considering the need to keep secrecy.
- (d) Information concerning the directive issued by the Prime Minister under this section is confidential, and the disclosure or publication thereof is prohibited, unless written approval therefor has been granted by a Representative of the Security Forces.
- (e) In fulfilling a directive under this section, no Licensee, nor any of its employees, shall bear any criminal or civil liability for any act carried out in fulfilling the said directive, except under circumstances in which an employee of the State would have borne responsibility for the act.

13A. Directives during a State of Emergency

- (a) In this section and in section 13B –

"Mass Disaster Event" – as defined in section 90A of the Police Ordinance;

"Licensee" – as defined in section 1, as well as any person who has been granted a license under the Ordinance;

"Decision on a State of Emergency" – any one of the following:

- (1) a declaration of a Special Situation on the Home Front under section 9C of the Civil Defense Law, 5711- 1951;
- (2) a declaration of a Mass Disaster Event under section 90B of the Police Ordinance, or the grant of authorization by a Police officer, under section 90D(c) of the Police Ordinance;

- (3) a decision on the commencement of an Activation Period of State of National Emergency Economic Measures;
- (4) the giving of notice of a Communications Crisis;

"The Security Forces" – as defined in section 13;

"Telecommunication System" – a Telecommunications Facility or a system of Telecommunications Facilities used or intended for use for the conduct of Telecommunication Activities or the provision of Telecommunication Services;

"Communications Crisis" – lack of capability to properly operate a Telecommunication System or the well-founded apprehension of a said lack of capability under circumstances of natural disaster, hostilities or due to significant harm to the peace of the public or of any particular section thereof, all of which excluding circumstances in which a declaration, authorization or decision as said in paragraph (1) through (3) of the definition of "Decision on a State of Emergency" has been issued or given;

"Police Representative" – a person from among the Police Force, authorized by the Minister of Public Security for the purposes of this section or section 13B;

"Representative of the Defense Establishment" – a person from among the Security Forces, authorized by the Minister of Defense for the purposes of this section or section 13B;

"The Police Ordinance" - The Police Ordinance [New Version], 5731-1971;

"Activation Period of State of National Emergency Economic Measures" – the period during which the national emergency economy system is in force, pursuant to Government Decision No. 1716 dated 29 Sivan 5747 (July 6, 1986), and Government Decision No. 1080 dated 7 Adar A 5760 (February 13, 2000), and any other Government Decision on this matter;

"The Minister" – including any person authorized by the Minister for the purposes of this section.

(b)

- (1) If the Minister has concluded that a Communications Crisis exists, he shall notify a Licensee of the existence of a said situation (in this section – Notice of a Communications Crisis).
- (2) Notice of a Communications Crisis shall come into effect immediately upon its delivery to the Licensee as said in paragraph (1), unless a later date has been specified therein, and its effect shall expire after 48 hours from the time on which it came into effect, unless a shorter period has been specified in the notice.

- (3) The Minister may, by notice to the Licensee, extend the effect of the notice of a Communications Crisis by additional periods not exceeding, in the aggregate, an additional 96 hours (in this section – the Extension Period).
 - (4) The government may, by notice to the Licensee, extend the Extension Period by additional periods not exceeding, in the aggregate, an additional seven days, and with the approval of the Economic Affairs Committee of the Knesset – by longer periods.
- (c) Where a Decision on a State of Emergency has been given, excluding a Declaration of a Mass Disaster Event under section 90B(a) of the Police Ordinance or authorization by a police officer under section 90D(c) of the Police Ordinance, the Minister may, with the consent of the Representative of the Defense Establishment, for national security reasons or for the purpose of regular supply of Telecommunication Services, which are, in view of the circumstances, necessary, issue directives to a Licensee on the following matters:
- (1) the performance of Telecommunication Activities or the provision of Telecommunication Services, generally or with respect to any particular matter;
 - (2) a restriction of the conduct of Telecommunication Activities or the provision of Telecommunication Services, or a complete or partial termination of the operation of a Telecommunications System;
 - (3) making the Licensee's Telecommunications System fully or partially available for the use of another Licensee, or the use of a said Telecommunications System for backing up another Licensee's Telecommunications System, or any other directive intended to ensure the activity of a Telecommunications System;
 - (4) making the Licensee's Telecommunications System fully or partially available for the use of the Security Forces, or the use of a said Telecommunications System for backing up another Licensee's Telecommunications System, or any other directive intended to ensure the activity of Security Forces Telecommunications System or to ensure the provision of Telecommunication Services to the Security Forces, the Rescue and Evacuation forces, or the bodies in the economy that are essential during the Activation Period of State of National Emergency Economic Measures.
- (d)

- (1) Where a Mass Disaster Event was declared under section 90B(a) of the Police Ordinance or an authorization was granted by a police officer under section 90D(c) of the Police Ordinance, the Minister may, with the consent of the Police Representative, for public security reasons or for the purpose of regular supply of Telecommunication Services, which are, in view of the circumstances, necessary, issue directives to a Licensee on the matters listed in subsection (c)(1) through (4); where a said authorization was granted by a police officer, the Police Representative shall immediately give notice thereof to the Minister.
- (2) Where a transfer of duties under section 90L of the Police Ordinance has been effected, a Representative of the Defense Establishment shall act, for the purposes of paragraph (1), in lieu of a Police Representative.

(e)

- (1) A directive issued to Licensee under this section shall remain in effect for as long as the Decision on a State of Emergency remains in effect, and a directive issued during an Activation Period of State of National Emergency Economic Measures shall remain in effect during the Activation Period of State of National Emergency Economic Measures and for no longer than the first sixty days of the said activation period, all of which if no shorter period was specified in the directive.
- (2) The government may, from time to time, authorize the Minister to extend, with the consent of the Minister of Defense, the effective period of a directive issued under this section during the Activation Period of State of National Emergency Economic Measures by additional periods, provided that the said additional periods shall be during the Activation Period of State of National Emergency Economic Measures and that none of them exceed sixty days.

(f) Prior to issuing a directive under subsection (c) or (d), the Licensee concerned shall be afforded an opportunity to voice its contentions, all to the extent possible under the circumstances of the matter, and taking into consideration, *inter alia*, the nature, scope and severity of the event necessitating the issuing of the said directives.

(g)

- (1) A notice or directive issued to a Licensee under this section may be issued in writing or orally; where a said notice or

directive was issued orally, the notice or directive shall also be issued to the Licensee in writing, as soon as possible under the circumstances of the matter.

- (2) A notice or directive said in paragraph (1) shall be brought to the knowledge of the Representative of the Defense Establishment and the Police Representative.
- (h) The provisions of section 13(c) in regard to the Fulfillment of a Directive for the benefit of the Security Forces or the Evacuation and Rescue forces or the provisions of section 5(d) and (e) in regard to the Fulfillment of a Directive for the benefit of another body, shall apply, *mutatis mutandis*, to any payment for provision of services, performance of activities or fulfillment of another directive said in this section (in this subsection – Fulfillment of a Directive), all of which as the case may be.
- (i) No Licensee operating by virtue of a directive under this section nor any of the persons acting on its behalf shall bear criminal liability as said in section 34(M) of the Penal Law, nor shall they bear tort liability, except for damage deriving from an intentional act or severe negligence on the part of the licensee or any of the persons acting on its behalf.
- (j) Nothing in the provisions of this section shall derogate from any powers in respect of a decision on a state of emergency under any other law.

13B. Directives in case of a significant malfunction in or cessation of the provision of Telecommunication Services or Broadcasts

- (a) Where no Decision on a State of Emergency has been given under section 13A, and the Minister concluded that a significant malfunction in or cessation of the provision of Basic Telecommunication Services or Broadcasts has occurred, including due to non-maintenance of Interconnection, which do not constitute a Communications Crisis, and the said malfunction or cessation concerns the public or any particular section thereof, he may issue directives to a Licensee concerning the matters listed in section 13A(c)(1) through (4), provided that directives concerning the needs of the Security Forces are issued with the consent of the Representative of the Defense Establishment or the Police Representative, as the case may be.
- (b) The provisions of section 13A(f) through (j) shall apply, *mutatis mutandis*, to any directive issued under subsection (a).
- (c) In this section –

"Interconnection" – as defined in section 5(a), including Use as defined in the said section;

"Broadcasts" – Cable Broadcasts as defined in section 6A and Satellite Television Broadcasts as defined in section 6QQ; "Basic Telecommunication Services" – any one of the following:

Domestic Fixed-Lined telephone Services, telephone services provided by means of a mobile radio telephone system, international telephone services, transmission services, internet access services and also additional Telecommunication Services as the Minister shall prescribe by an order.

14. **Rules**

- (a) A licensee may, with the approval of the Minister, make rules on any matter not listed in section 12, concerning the Telecommunication Activities that it performs or the Telecommunication Services that it provides.
- (b) Where a licensee did not make rules as said in subsection (a) concerning a particular matter, or it has submitted them for approval but the Minister did not approve them, the Minister may demand that it make or amend them, as the case may be; if the licensee did not comply with the Minister's demand within ninety days from the day on which he has been required to do so, the Minister may make the rules or amend them in its stead.
- (c) The Minister may direct that all or some of the rules made under subsections (a) and (b) be published in such manner and place as he may be prescribed.

CHAPTER E: PAYMENTS FOR TELECOMMUNICATION SERVICES

15. **Power to Determine a Payment**

- (a) The Minister, with the consent of the Minister of Finance, may prescribe by regulations –
 - (1) payments, maximum payments or minimum payments for the services provided by a licensee; the prescribing of payments under this paragraph (in this section – Payments for the Telecommunication Services) may be done, *inter alia*, based on one of the following:
 - (1) cost, according to a such calculation method as the Minister shall direct, with the addition of reasonable profit;
 - (2) a point of reference deriving from one of the following:

- (a) the payment for services provided by the Licensee;
- (b) the payment for other comparable services;
- (c) payments said in subparagraphs (a) or (b) or payments for the Telecommunication Services or a service corresponding thereto, in other countries.

(2) ways of calculating the said payments, the components thereof and the proportions therebetween.

- (b) (Repealed).
- (c) (Repealed).
- (c1) (Repealed).
- (d) The Minister, with the consent of the Minister of Finance, may prescribe provisions by regulations in respect of the manner of linkage of payments under this section to the consumer price index, or to a different linkage; linkage, for the purposes of this subsection, shall be calculated with the deduction of a rate that shall be set in the regulations for increasing efficiency.
- (e) (Repealed).

15A. Alternative Payment Basket

- (a) Where payments have been fixed under section 15(a)(1) for Telecommunication Services provided by a licensee, which are not maximum or minimum payments (in this section – the Telecommunication Services with Fixed Payments) the licensee may offer an alternative payment basket for a cluster of the Telecommunication Services with Fixed Payments if all of the following hold true:
 - (1) the licensee submitted to the Minister an application for offering a said payment basket, in which it has set out the alternative payment basket and the terms thereof, and any additional information required by the Minister for this purpose (in this subsection – Supplementary Information), and it also provided a copy of the application and of the said Supplementary Information to the Minister of Finance;
 - (2) 30 days have elapsed from the date of submission of the application under paragraph (1) or 15 days from the date of receipt of the Supplementary Information by Minister, whichever is later, and the Minister did not notify the licensee of his objection to the application;

- (3) an additional 15 days have elapsed from the date said in paragraph (2), and the Minister did not notify the licensee of the Minister of Finance's objection to the application.
- (a1) Notwithstanding the provisions of subsection (a), if the Minister notified the licensee, with the consent of the Minister of Finance, during the period beginning on the date of submission of the application under subsection (a)(12) and ending at the end of the period said in subsection (a)(3), that he approves the application, the licensee may offer an alternative payment basket for a cluster of the Telecommunication Services with Fixed Payments, to start from the date of the said notice.
- (b) Charging a licensee's subscriber under the alternative payment basket said in subsection (a) or (a1) shall require the subscriber's consent.
- (c) Payments fixed under subsection (a) or (a1) shall be published in at least four widely circulated daily newspapers, two of which in the Hebrew language, one in Arabic and one in Russian, and on the licensee's internet website.
- (d) Where maximum or minimum payments have been fixed under sections 5 or 15, for Telecommunication Services provided by a licensee to another licensee (in this section – “the Telecommunication Services with Maximum or Minimum Payments”), the licensee may offer, in a non-discriminatory manner, to any other licensee, an alternative payment basket for a cluster of any of the following:
 - (1) the Telecommunication Services with Maximum or Minimum Payments;
 - (2) the Telecommunication Services with Maximum or Minimum Payments and Telecommunication Services provided by it for which no payment was fixed under sections 5 or 15.
- (e) The provisions of subsections (a) through (c) shall apply with respect to subsection (d), *mutatis mutandis* and with the following changes:
 - (1) in subsection (a)(2) and (3), in every place, the words "14 working days" shall be read instead of the words "7 working days";
 - (2) in subsection (c), the words “in such place and in such manner as the Minister shall direct” shall be read instead of the closing section, from the words “in at least four widely circulated daily newspapers”.

16. **Arrears**

The Minister, with the consent of the Minister of Finance and with the approval of the Finance Committee of the Knesset, may prescribe, by regulations, the requirement and terms for payment of interest arrears, linkage differential and collection expenses for payments due for Telecommunication Services which have not been paid on the date fixed therefor.

17. **Service for which no fixed payment was set**

- (a) A Licensee may demand a reasonable payment for a Telecommunication Service for which no payment was set under sections 5 or 15 or for which a maximum or minimum payment was fixed under these sections.
- (b) The Minister may direct a Licensee to report the payment that it intends to demand for services said in subsection (a), or any change therein, to him or to a person empowered by him for this purpose, before the provision of the service or the change in the payment, all as the Minister shall direct.
- (c) If the Minister concludes that a Licensee intends to demand for a Telecommunication Services said in subsection (a) a payment that is not reasonable or a payment which raises a suspicion that impairment is liable to be caused to competition in the field of Telecommunications, then he may issue directives to the Licensee in regard to each one of the following:
 - (1) the payment that it shall demand for that Telecommunication Service;
 - (2) the payment that it shall demand for another Telecommunication Service;
 - (3) the separation of the payment for a particular Telecommunication Service from the payment for a cluster of Telecommunication Services, including a cluster of services which includes Broadcasting, and which also includes that service.
- (d)
 - (1) The examination by the Minister of whether a payment for a Telecommunication Service said in subsection (a) is unreasonable may be done, *inter alia*, based on a point of reference deriving from any one of the following:
 - (a) the payment for services provided by the Licensee;
 - (b) the payment for other comparable services;
 - (c) payments said in subparagraphs (a) or (b) or the payment for a Telecommunication Service said in subsection (a), in other countries;

however, the Minister may examine the payment based on cost, according to a such calculation method as he shall direct, with the addition of reasonable profit.

- (2) The directive of the Minister under subsection (c), in regard to a Telecommunication Service for which a maximum or minimum payment was fixed under section 5 or 15, shall be issued for a period not exceeding one year.

- (e) In this section –

“Licensee” - including a Broadcasting Licensee who intends to demand a payment for a cluster of services which includes Broadcasting and a Telecommunication Service;

“Telecommunication Service” – including each one of the following:

- (1) activities, services and arrangements which are incidental to effecting Interconnection or to effecting use said in section 5;
- (2) for the purposes of subsections (a), (b), (c)(1) and (2) and (d) – a cluster of Telecommunication Services, including a cluster of services which includes Broadcasting.

CHAPTER F: POWERS IN RELATION TO LAND

Article A: Interpretation

17A. **Definitions**

In this Chapter –

"The Land Law" – the Land Law, 5729-1969;

"Condominium" – within its meaning in the Land Law, including a house, within its meaning in Chapter F1 of the said law;

"Apartment Owner" – as defined in section 52 or 77A of the Land Law;

"Inspector" – as defined in the Land Law;

"Private Land" – land which is not Public Land;

"Public Land" – land owned by the State, the Development Authority, the Jewish National Fund (Keren Kayemeth LeIsrael), a local authority or a corporation established under a statute and which is in the possession of one of them, as well as a Road;

"Common Property" – within its meaning in Chapters F and F1 of the Land Law, excluding any part thereof designated as attached to a particular apartment in a condominium;

"Network" – a Public Telecommunication Network or any part thereof, including a Telecommunications Facility.

Article B: Activities on Public Land

18. **Laying a network on Public Land**

- (a) A licensee who was granted powers under section 4(f) (hereinafter in this Chapter – Licensee) in respect of Public Land, and any person authorized thereto by the Licensee, may, for the purpose of laying, examining, maintaining, repairing, changing or replacing a network, and for the purpose of providing Telecommunication Services, enter Public Land and carry out the following works thereon, provided that an approval said in section 21A has been granted for the laying of the network:
- (1) carrying out the measurements and examinations required for planning the network and also installing, constructing and maintaining it;
 - (2) digging, removing rocks, soil and trees, and carrying out other ancillary activities required for exercising the powers said in the opening passage of this section;
 - (3) removing or trimming, around any existing or planned Telecommunications Facility, any plant obstructing the construction, maintenance or proper operation of the facility;
 - (4) carrying out an examination of, repairs in or the removal of a Telecommunication Facility located on the land, and also to make a change in it that does not cause an impairment to the scope of use of that land;
 - (5) opening any Road for the purpose of carrying out any work listed in this section, provided that immediately upon completion of the work the licensee restore the Road to its previous condition.
- (b) In regard to the carrying out works said in subsection (a), that are required for sustaining, examining and repairing a network, a network duly laid prior to the commencement of Amendment 25 shall be deemed as a network in respect of which an approval said in section 21A was granted.
- (c) Entry under this section to a defense installation as defined in section 159 of the Planning and Building Law requires the prior approval, with respect to that installation, of the body competent to grant such approval under law.

19. **Notice to an occupier**

- (a) A licensee who intends to use its power under section 18(a)(1), where the land is a building, or under section 18(a)(2), (3) or (5),

shall deliver written notice thereof twenty one days in advance to the occupier of the land.

- (b) If the occupier of the land cannot be located, the licensee shall publish a notice in the manner that the Minister shall prescribe by regulations.

20. **Appeal**

- (a) In this section and in section 21 –
"Notice" – a notice under section 19;
"Court" – the Magistrates Court within whose jurisdiction the land is located.
- (b) An owner or occupier of land who deems himself injured by the intention to use the powers listed in section 18, may file an appeal with the Court, within twenty one days from the delivery of the notice or the publication thereof.
- (c) The Court hearing the appeal may approve the use of a said power, impose conditions for, change or revoke that approval, and grant any remedy that a court hearing a civil matter may grant.
- (d) Filing an appeal with the Court shall not delay the carrying out of the use of a licensee's power, unless the Court has so decided by a reasoned decision, due to a special reason that he has concluded exists.

21. **Procedures of an appeal**

- (a) The Court shall hear an appeal under the administrative rules of procedure made by the Minister of Justice; if there are no rules of procedure, then the Tribunal shall proceed in the manner it deems most conducive for a just and speedy decision.
- (b) The Court hearing the appeal shall not be bound by the rules of evidence, except those with respect to the immunity of witnesses and privileged evidence under Chapter C of the Evidence Ordinance [New Version], 5731-1971.
- (c) The Court hearing the appeal may appoint a professional consultant to assist it with professional questions; the consultant shall not take part in the giving of the judgment.
- (d) A professional consultant shall be entitled to receive fees and reimbursement of expenses from the licensee who delivered or published the notice, in amounts that shall be determined by the Court.

21A. **Approval for laying a network**

- (a) The plan of a licensee for the laying of a network on Public Land requires the approval of the Local Planning and Building

- Commission, in the local planning area of which the laying of the network is intended.
- (b) Where the licensee has submitted an application for approval of a plan as aforesaid in subsection (a), the local commission shall decide on the application within sixty days from the date of submission thereof; if the commission did not decide on the within the said time, the plan shall be deemed as approved.
 - (c) A licensee may appeal a decision under subsection (b), within thirty days from the date on which notice thereof was delivered to it, before an appeals committee, within its meaning in Article B1 of Chapter B of the Planning and Building Law, an appeals committee shall decide on the appeal within forty five days from the date of filing thereof; if no decision was given on the appeal within the forty five day period – the appeal shall be deemed as accepted.
 - (d) An approval under this section is the same as a permit duly granted under the Planning and Building Law, 5725-1965.
 - (e) Without derogating from the provisions of any statute, including the rest of the provisions of this Law, the provisions of subsections (b) through (d) shall not apply to antennas and Superstructure. For this purpose, "Superstructure" – a structure which is mainly above the ground, excluding control boxes and communications cabinets.

Article C: Activities on Private Land

21B. **Laying and maintaining a network on Private Land**

- (a) The laying of a network on Private Land requires the approval of the owner of the land; where the occupier of the Private Land is a long term lessee within its meaning in the Land Law (hereinafter in this section – Lessee), or a protected tenant within its meaning in the Tenants Protection Law [Consolidated Version], 5732-1972 (hereinafter in this section – Tenant), the consent of the Lessee or Tenant shall be deemed to be the consent of the owner of the land.
- (b) Where the Private Land is a condominium, the lying of the network on the common property shall require the consent of the majority of the Apartment Owners, all of which notwithstanding any other provision, including a Special Provision, stipulated in the by-laws under which the condominium is managed (hereinafter – the By-Laws); if the provisions of the By-Laws stipulate that the laying of the network requires the consent of less than the majority of the apartment owners, then the provisions of the By-Laws shall apply; in this section, "Special Provision" – a provision in the By-Laws that prohibits the laying of a network in the condominium.
- (b1)

- (1) Notwithstanding the provisions of subsection (b) and subject to the provisions of paragraphs (2) through (6), any apartment owner may apply to a licensee, in writing, requesting the laying of a network in the condominium (in this section - the Applicant), even in the absence of the consent of the majority of the apartment owners in the condominium as said in subsection (b); this provision shall not apply if a Special Provision was stipulated in the By-Laws in this respect, and the laying of the network is requested solely for the purpose of transmitting Broadcasts;
- (2) at least 30 days prior to the Applicant's applying to the licensee requesting the laying of a network, the Applicant shall notify the condominium representatives of his intention to do so (hereinafter – Applicant's Notice);
- (3) the condominium representatives may, within 30 days from the date of the Applicant's Notice –
 - (a) impose conditions in respect of the manner of the laying of the network including conditions concerning convenience, the appearance of the condominium or safety, provided that nothing in the conditions imposed shall prevent the timely laying itself of the network, at a reasonable cost;
 - (b) request the Inspector to impose conditions and issue directives in respect of the laying of the network, or to prevent the laying thereof;
- (4) in addition to the condominium representatives, the Applicant and any apartment owner in the condominium may also apply to the Inspector, within 30 days from the date of the Applicant's Notice, in respect of the matters said in paragraph (3)(b);
- (5) the Applicant may, after 30 days from the date of his Notice, schedule the date of the licensee's entry to the land, as said in subsection (c), if all of the following hold true –
 - (a) the condominium representatives did not impose conditions for the laying of a network as said in paragraph (3)(a), or they have imposed said conditions and the Applicant and the licensee agreed to the said conditions;
 - (b) no application was submitted to the Inspector in accordance with the provisions of paragraphs (3)(b) or (4);
- (6)

- (a) the Inspector may, for special reasons that shall be recorded, extend the period said in paragraphs (3) and (4) for submitting the application, provided that the licensee has not yet begun carrying out the laying of the network;
 - (b) the provisions of Article D of Chapter E of the Land Law shall apply to proceedings before the Inspector under this section under this section;
 - (c) nothing in the provisions of this section shall derogate from the powers of the Inspector, under any law, to hear a dispute between apartment owners, including one incidental to the laying of a cable network.
- (c) The franchisee shall schedule the date of its entry to Private Land with the owner or occupant thereof, and in the case of common property – with the authorized entity of the apartment owners said in section 6DD(a); however, in the case of an application for which the provisions of subsection (b1) hold true, the franchisee shall schedule the date of its entry with the Applicant, unless the Inspector has directed otherwise in accordance with the provisions of this section.
- (d) The consent of the apartment owners said in subsection (b) or an Application for the laying of a network for which the provisions of subsection (b1) hold true shall be binding on every apartment owner, whether he was an apartment owner at the time the consent was given or the Application made, or became an apartment owner thereafter.
- (e) Nothing in the provisions of this section shall impose upon an apartment owner who is not interested in being a subscriber a requirement to connect his premises to a cable network or to participate in expenses involved in the laying of a cable network on the common property of the condominium and in the maintenance thereof.
- (f) Where possession was returned to the owner of the land by a Lessee or a Tenant, the owner of the land may demand from the licensee the removal of the network therefrom and the restoration thereof, to the extent possible, to the condition in which it would have been had the said consent not been used, and all of the expenses of the removal shall apply to the franchisee.
- (g) Notwithstanding the provisions of this section the licensee may –
 - (1) use the power vested in it under this section only if the Minister has granted it that power in accordance with section 4(f);

- (2) apply to the Magistrates Court within whose jurisdiction the land is located, requesting it to permit it to lay, on Private Land, a network that is required for the provision of Telecommunication Services to other land, if the owner of the land has refused to give his consent thereto; the court may permit, on conditions which it shall prescribe, the laying of a said network, and give such orders as it deems appropriate, including payment of damages.
- (h) A consent said in subsections (a) or (b) or an application for the laying of a network for which the provisions of subsection (b1) hold true, or permission granted under subsection (g)(2) constitute authorization to a licensee and to any person authorized by it thereto, to enter the land in order to install and construct the network or for the purpose of examining, maintaining, repairing, changing or replacing it, and carrying out any other ancillary activity required therefor; for this purpose, a cable network laid in accordance with the provisions of Article H of Chapter B1 or any network laid in accordance with the provisions of Chapter F, in the version thereof prior to the commencement of Amendment 25 shall be deemed as a network in respect of which authorization under this section was granted.

21C. **Authorized entity of the apartment owners**

- (a) The condominium representatives shall serve as the authorized entity of all of the apartment owners in all matters concerning the laying of the network on the common property in the condominium and the maintenance thereof, and for this purpose it may, on behalf of all the apartment owners, be a party to any negotiation, legal proceeding or agreement against or with a licensee; in the absence of said representatives of the condominium's apartment owners, the said authorized entity shall be whosoever the majority of the apartment owners have appointed therefor.
- (b) In the case of an application for which the provisions of section 6CC(b1) hold true, the person entitled to be a party to any negotiation, legal proceeding or agreement against or with a franchisee on or in all the matters said in subsection (a) – shall be the Applicant within the meaning thereof in section 21B(b1), unless the Inspector has directed otherwise in accordance with the provisions of the said section.

Article D: Miscellaneous

22. **Payment of damages and repair of damage**

- (a) A licensee or any person acting on its behalf, when using the power granted them under section 18 or by an authorization under section 21B, shall, to the extent possible, avoid causing damage, and restore the land, to the extent possible, to the condition in which it would have been had the said power or authorization not been used.
- (b) If damage was caused due to the use of the power or authorization said in subsection (a), the licensee shall pay damages to the injured party.
- (c) If the licensee has decided to reject a demand for damages under subsection (b), it shall deliver the claimant a reasoned written notice thereof within sixty days from the date of receipt of the demand.

23. No preventing of passage

A Telecommunications Facility which must be placed above or under navigable bodies of water, on or above a Road or on an aviation route, shall be placed in a manner in which it shall not prevent, impede or obstruct passage through the body of water, Road or aviation route.

24. **Facilities of a licensee, attached to Land**

Notwithstanding anything provided in section 12 of the Land Law, a Telecommunications Facility attached to the land of another shall be owned by the person who has duly installed the Facility.

25. **Notice of paving of a Road**

(a)

- (1) A person who wishes to pave a Road or to change a Road shall give written notice thereof at least thirty days prior to commencement of the work to the licensee whose license applies in the area where the work under the notice shall be carried out, to which a detailed plan of the work shall be attached; if he fails to give a said notice he shall bear all the expenses caused in consequence thereof to the licensee;
- (2) a person who wishes to give notice under paragraph (1) and does not know the identity or address of the licensee shall send the notice to the Minister or to a person empowered by the Minister for that purpose, in order for it to be delivered to the licensee.

- (b) Where notice was given as said in subsection (a), the licensee shall remove any Telecommunications Facility situated at the place where the work thereunder is to be carried out, and transfer it, within a reasonable time and after consulting with the local authority in

whose area the Road is to be constructed, to a place and in a manner suited for the planning of a telecommunications network.

- (c) The expenses for the removing of a duly situated Telecommunications Facility and the transferring thereof due to a work said in subsection (a) shall be borne by the person required to give the notice, whether the said notice has or has not been given; however, the court may divide them, in special cases, between the licensee and the person required to give the notice.

26. **Changes in land**

- (a) Where a licensee has placed, under its license, a Telecommunications Facility on land, and the owner or occupier thereof (in this section – the Owner of the Land) wishes to make changes in the land that may impair the Facility, he shall give the licensee notice of his intention, to which a detailed plan of the work shall be attached; the licensee shall carry out all the activities required in order to enable the change, and deliver written approval regarding the performance of the changes to the Owner of the Land within a reasonable time after receiving the notice.
- (b) No person shall begin making changes said in subsection (a) unless the Owner of the Land has received approval therefor from the licensee.
- (c) If the licensee refused to grant approval or did not reply, within a reasonable time, to the notice given by the Owner of the Land, the Minister, at the request of the Owner of the Land, may grant the approval instead of the licensee.
- (d) A licensee may demand from the person requesting the change the expenses that it incurred in order to enable the change, if the Facility is lawfully situated there; however, the court may divide them between the licensee and the person requesting the change.

27. **Telecommunications Facilities in Buildings**

A licensee may refuse to provide a Telecommunications Service in a building or in any other structure for which the provisions related to Telecommunications Facilities required for the provision of that service in the Planning and Building Law, 5725-1965 and the regulations made thereunder do not hold true.

Article E: Wireless Access Device

27A. **Definitions and interpretation**

- (a) In this Article –

"Rooftop of a Building", in the case of a tiled roof – including the upper part of the building's wall, adjacent to the tiles;

"Wireless Access Device" – a Telecommunications Facility, the dimensions of which do not exceed 80d50d30 cm, used or intended to be used for the purposes of reception and transmission through an access network, that operates on frequencies determined by the Minister for this purpose;

"Anchorage Device" - a facility or apparatus, used for the connection of a Wireless Access Device to the Rooftop of a Building;

- (b) Other terms in this Article shall have the meaning assigned thereto in section 17A.

27B. Installation of a Wireless Access Device – special provisions

- (a) The installation of a Wireless Access Device shall be carried out by a licensee in accordance with the provisions of this Article.
- (b) The installation of a Wireless Access Device and the installation of the Anchorage Device bearing it, on the Rooftop of a Building, carried out under section 266C of the Planning and Building Law, is exempt from a permit under section E of the said law.
- (c) No Wireless Access Device shall be installed or operated unless a radiation safety permit from the person appointed by the Minister of Environmental Protection and in accordance with the terms of the permit, and the permit may be granted to a certain type of devices; if a said device was installed and a suspicion arises that its operation does not conform with the terms of the said permit or that its operation is liable to cause an impairment to safety, the person appointed for this purpose by the Minister of Environmental Protection may direct the cessation of the operation or the removal thereof.
- (d) Nothing in the provisions of this section shall exempt from the obligation to obtain any license, permit, approval or qualification under any other law.

27C. Installation of a Wireless Access Device in a condominium

- (a) If an owner of an apartment in a condominium (in this Article – the Applicant) has requested the installation of a Wireless Access Device on the Rooftop of the Building, in a place that is not common property, the Inspector may permit the installation if all of the following hold true:
- (1) the Applicant and the owner of the rights in the place designated for the installation (hereinafter – the Owner of the Rights) have not reached agreement on the installation itself, or on the terms thereof, within 30 days from the date

- on which the Applicant has made a written request to the Owner of the Rights;
- (2) the Applicant has applied to the Inspector, in writing, requesting permission for the installation;
 - (3) the Applicants has proved that it is not possible to perform the installation on common property, or that it will substantively impair the broadcasting or reception itself, unless the Owner of the Rights has proved that it is possible to carry out the installation in a reasonable manner elsewhere, outside of the condominium;
 - (4) the Applicant has presented a permit said in section 27B(c) from the Ministry of Environmental Protection;
 - (5) the Wireless Access Device is intended, *inter alia*, to provide Telecommunication Services to the Applicant.
- (b)
- (1) If the Applicant has applied to the Inspector as said in subsection (a)(2), he shall immediately deliver a copy of the application to the condominium representatives; the condominium representatives, and any owner of an apartment in the condominium may, within 30 days from the date of the Applicant's application, join a hearing before the Inspector concerning the laying down of conditions and directives regarding the installation or concerning a request to prevent it;
 - (2) the Inspector may permit the installation of the Wireless Access Device and impose conditions for and directives that must be complied with in respect of that permission, including in the event that the Owner of the Rights is interested in removing the Wireless Access Device or the relocation thereof, in order to enable the performance of the construction work by virtue of a building permit under the provisions of the Planning and Building Law.
- (c) If the Inspector has decided in the matter of the installation of a Wireless Access Device in accordance with the provisions of subsection (b), it is possible to apply to the Inspector requesting him to change his decision, if the circumstances on which the decision was based have changed.
- (d) The provisions of Article D of Chapter F of the Land Law shall also apply to the hearing before the Inspector under this section.

27D. **Application of provisions**

- (a) The provisions of sections 21B through 22 shall apply in regard to the installation of a Wireless Access Device, with the necessary changes, which shall include the following:
- (1) The word "install" or "installation" shall replace the word "lay" "or laying";
 - (2) the words "Wireless Access Device" shall replace the word "network";
 - (3) in section 21B –
 - (a) in subsection (b), the words "or which may impair the broadcasting or the reception themselves" shall be added at the end of the definition of "Special Provision";
 - (b) in subsection (b1)(1), the words "and the Wireless Access Device is intended, *inter alia*, to provide Telecommunication Services thereto" shall be added at the end thereto;
 - (c) the words "or substantively impair the broadcasting or reception itself" shall be added at the end of subsection (b1)(3)(a);
 - (d) in subsection (b1)(6), the following shall be inserted after subsection (c):
 "(d) In a hearing before the Inspector said in paragraphs (b1)(3)(b) or (b1)(4) the Applicant shall present a permit said in section 27B(c)."
- (b) The provisions of the Local Authorities (Television and Radio Antenna Poles) Law, 5736-1975, shall not apply in regard to the installation of a Wireless Access Device under this Article.

CHAPTER G: OFFENSES

28. **Conduct of Telecommunication Activities or provision of Telecommunication Services without a license or permit**

- (a) If a person violates the provisions of section 2(b), then he shall be liable to three years imprisonment or to a fine of NIS 215,000.
- (b) If the court concludes that there are reasonable grounds for suspicion that a person has conducted a Telecommunication activity or provided a Telecommunication Service contrary to the provisions of section 2(b), it shall order the seizure of the Telecommunications Facility in respect of which the offense was committed; the provisions of sections 33 through 42 of the Criminal Procedure Ordinance (Arrest and Search) [New Version], 5729-1969, shall apply, *mutates mutandis*, to the said seizure.

- (c) Subsection (b) shall add to powers of seizure under any other law and not derogate therefrom.

28A. **Power of entry and seizure**

- (a) Any person authorized thereto by the Minister (hereinafter – the Appointee) may –
 - (1) enter any place of a commercial character in respect of which he has a reasonable suspicion that an act related to importation, possession, distribution, sale, maintenance or connection to a Public Telecommunication Network, of Terminal Equipment, which constitutes an offense under the provisions of section 36A(a) or which the regulations under section 53A stipulate is an offense, is carried out therein, and conduct a search therein; however, a place also used for residence purposes may not be entered except under a warrant issued by a judge, and the provisions of sections 26 through 30 of the Criminal Procedure (Arrest and Search) Ordinance [New Version], 5729-1969, shall apply, *mutatis mutandis*, to a search under this paragraph;
 - (2) seize any Terminal Equipment or document (hereinafter in this section – Object) with which or by means of which there is reasonable suspicion an offense was committed.
- (b) An Object that was seized under subsection (a) may be held until the court in which an indictment was filed for an offense related to that Object decides what is to be done with it; if no said indictment is filed within sixty days from the date of seizure – the Object shall be returned; if a doubt arises as to who it should be returned to, the Magistrates Court within whose jurisdiction the Object was seized shall decide the matter, on application by a person claiming a right therein, or on application by the Appointee.
- (c) Where a person's document was seized under subsection (a), the Appointee shall enable, at the request of that person, the photocopying thereof.
- (d) Whoever holds an Object that was seized under subsection (a) shall deal with it the way an owner would; if he did not deal with it thus, and if the object was destroyed or damaged, then compensation shall be paid to the owner out of the State Treasury.
- (e) The Magistrates Court within whose jurisdiction an Object was seized may – on application by the Appointee or on application by a person who claims a right in the object – order that the object be handed over to the person who claims a right to it, or to some other person who will deal with it differently, as the court shall order, and all that on the conditions it shall prescribe;

28B. Violation of an order or of certain provisions

- (a) If a person transfers to another person Control in an Essential Service Provider or acquires or holds said Control, without a permit and in violation of the provisions of section 4D(a1) or of any condition stipulated in a said permit, then he shall be liable to three years imprisonment or to a fine of ten times the fine said in section 61(a)(4) of the Penal Law, 5737-1977 (in this Law – the Penal Law), and to an addition fine of ten times the fine said in section 61(c) of the Penal Law, for each additional day on which the offense continues.
- (b) If a person commits one of the following, then he shall be liable to three years imprisonment or to a fine of four times the fine said in section 61(a)(4) of the Penal Law:
 - (1) he provides incorrect details in an application that he submitted for obtaining an approval required under section 4D and the orders made thereunder;
 - (2) he violates a direction, restriction or condition prescribed by an order under section 4E in regard to the continuation of the provision of an Essential Service;
 - (3) he violates the provisions of an order concerning non disclosure of information under section 4E2.
- (c) If a person violates a restriction or a condition imposed by an order by committing one of the following, then he shall be liable to six months imprisonment or to a fine a fine said in section 61(a)(4) of the Penal Law; if the offense is a continuing offense, then he shall also be liable to an additional fine of ten times the fine said in section 61(c) of the Penal Law, for each day on which the offense continues:
 - (1) he holds Significant Influence over or Means of Control in an Essential Service Provider, without consent, in violation of a stipulation under section 4D(c)(1) or in violation of a condition stipulated in a said consent;
 - (2) he holds Control or Means of Control in an Essential Service Provider, in violation of a stipulation under section 4D(c)(2);
 - (3) he manages the Essential Service Provider or has its center of business in violation of a stipulation under section 4D(c)(3);
 - (4) he fails to provide information to the Prime Minister and to the Minister, in violation of a stipulation under section 4D(c)(4);

- (5) he serves as an Officer or as any other functionary in an Essential Service Provider, or appoints or employs an Officer or any other functionary in an Essential Service provider, in violation of a stipulation under section 4D(c)(5);
 - (6) he transfers or charges one of the Essential Service Provider's License Assets or rights in the Essential Service Provider, in violation of a stipulation under section 4D(c)(6);
 - (7) he brings about proceedings for the voluntary winding up of the Essential Service Provider corporation, a compromise or Arrangement in respect thereof, a change or reorganization of the corporation's structure or the Merger or Split thereof without approval, in violation of a stipulation under section 4D(c)(7) or in violation of any condition imposed in a said approval;
 - (8) he fails to comply with directives under section 4D(c)(9);
 - (9) He fails to comply with a condition, directive or restriction under section 4D(d)(2), (3) or (3a);
 - (10) he fails to comply with directives issued by virtue of a stipulation under section 4E1.
- (d) If a person transfers to another person Control, Significant Influence or Means of Control in an Essential Service Provider or acquires or holds said Control, without having been presented by the transferee with consent, in violation of a stipulation under section 4D(c)(8), then he shall be liable to a fine said in section 61(a)(4) of the Penal Law.

28C. Violation of provisions under section 13

If a person violates directives issued in writing under section 13, then he shall be liable to six months imprisonment or to a fine said in section 61(a)(4) of the Penal Law; if the offense is a continuing offense, then he shall also be liable to an additional fine of ten times the fine said in section 61(c) of the Penal Law, for each day on which the offense continues.

28D. Liability of Officers

- (a) An Officer in an Essential Service Provider must supervise and do all in his power in order to prevent offenses under sections 28B and 28C by the Essential Service Provider or by one of its employees; if a person violates his obligation under this section, then he shall be liable to five times the fine said in section 61(a)(4) of the Penal Law; for purposes of this section, "Officer in an Essential Service Provider" - a director, a manager active in the Service Provider, a

- partner other than a limited partner, or any other functionary in the Essential Service Provider responsible on behalf of the Essential Service Provider for the area in which the offense was committed.
- (b) If an offense under sections 28B or 28C was committed by the Essential Service Provider or by one of its employees, then it is assumed that an Officer of the Essential Service Provider violated his obligation under subsection (a), unless he proves that he did everything possible in order to fulfill his obligation.

29. **Impairing a Telecommunications Facility**

If a person commits one of the following, then he shall be liable to three years imprisonment:

- (1) he destroys a Telecommunications Facility, causes damage thereto or removes it from its position;
- (2) he obstructs, prevents or hinders the sending or the delivering of a Telecommunication Message in any way whatsoever;
- (3) he operates a Telecommunications Facility without a radiation safety permit or in violation of the terms thereof or in violation of directions mandating the operation or removal thereof, in violation of the provisions of section 27B(c).

30. **Harassment**

If a person uses a Telecommunications Facility in a manner that can unduly injure, intimidate, harass, create anxiety or annoy, then he shall be liable to three years imprisonment.

30A. **Transmission of an Advertisement through a Telecommunications Facility**

- (a) In this section –

"Advertisement" – a message distributed commercially, the purpose of which is to encourage purchase of a product or service or to otherwise encourage the spending of money;

"Electronic Message" – an encrypted Telecommunication Message transferred on the internet to an addressee or a group of addressees, which can be saved and retrieved by a computerized method;

"SMS" – a Telecommunication Messages comprised of writing, including signs or symbols, or a Telecommunication Message comprised of video or audio, transferred by means of a Public Telecommunication Network to the Terminal Equipment of an addressee or a group of addressees;

"Automatic Dialing System" – a Telecommunications Facility used for the automatic dialing or routing of a sequence of calls to a group of addresses, for the purpose of transferring a taped voice message to said addresses;

"Advertiser" – any person whose name or address appear in the advertisement as a contract address for purchasing the subject of the advertisement, any person whose businesses or goals can be advertised or promoted by the content of the Advertisement, or any person who markets the subject of the Advertisement for another person; for this purpose, a person who carried out an the activity of transmitting an Advertisement, as a Telecommunication Service, for another person, under a General License or a Special License or by virtue of a General Permit, granted under this Law.

- (b) No Advertiser shall transmit an Advertisement by or through facsimile, an Automatic Dialing System, an Electronic Message or SMS, without receiving the express prior written consent of the addressee, including by an Electronic Message or in a taped conversation; a one-time approach by or on behalf of an Advertiser to an addressee which is a business premises, in one of the ways said in this subsection, which constitutes an offer to consent to receive Advertisements by or on behalf of it, shall not be considered to be a violation of the provisions of this section.
- (c) Notwithstanding the provisions of subsection (b), an Advertiser may transmit an Advertisement as said in that subsection even consent was not obtained from the addressee, if all of the following hold true:
 - (1) the addressee has given his details to the Advertiser in the course of the purchase of a product or service, or in the course of negotiations for the said purchase, and the Advertiser notified him that the details that he has provided will be used for the sending of an Advertisement by it or on its behalf, in one of the ways said in subsection (b);
 - (2) the Advertiser has given the addressee an opportunity to notify it of his refusal to receive said Advertisements, generally or with respect to a certain type, and the addressee did not do so;
 - (3) the Advertisement refers to a product or service of a type similar to that of the product or service said in paragraph (1).
- (d) If the addressee consented to receive Advertisements under the provisions of subsection (b) or did not give notice of his refusal to receive them under the provisions of subsection (c), he may, at any time, notify the Advertiser of his refusal to receive Advertisements, generally or with respect to a certain type, and withdraw his consent,

if any was given (in this section – Notice of Refusal; the Notice of Refusal shall be at no cost, except the cost of sending the notice; the Notice of Refusal shall be given in writing or in the way in which the Advertisement has been transmitted, as per the choice of the addressee.

(e)

- (1) An Advertiser transmitting an Advertisement in accordance with the provisions of this section shall indicate the following details therein, in a prominent and clear manner, which is not misleading:
 - (a) the fact of its being an Advertisement; the word "advertisement" shall appear at the beginning of the Advertisement, and if the Advertisement is transmitted by an Electronic Message – in the heading of the notice;
 - (b) the name of the Advertiser, its address and the ways of contacting it;
 - (c) the right of the addressee to send, at any time, a Notice of Refusal said in subsection (d), and a way in which it is possible to send a said notice, which is simple and reasonable in the circumstances of the matter, and where the Advertisement is transmitted by an Electronic Message – a valid internet address of the Advertiser, for the purpose of giving a Notice of Refusal.
- (2) Notwithstanding the provisions of paragraph (1), an Advertiser transmitting an Advertisement by SMS shall indicate in the Advertisement only its name and the ways of contacting it for the purpose of giving a Notice of Refusal.

(f)

- (1) If an Advertiser transmits an Advertisement in violation of the provisions of subsections (b) or (c), then it shall be liable to a fine said in section 61(a)(4) of the Penal Law;
- (2) If an Advertiser transmits an Advertisement, in which the details said in subsection (e) are not indicated in a prominent and clear manner, or in which the details that are indicated are misleading, in violation of the provisions of that subsection, then it shall be liable to a fine said in section 61(a)(3) of the Penal Law.

- (g) The court, when imposing a fine on an Advertiser who has been convicted of an offense under subsection (f), may take into consideration that exemplary compensation under subsection (j) was awarded against that Advertiser, in a final judgment, for the act for which it has been convicted as aforesaid.
- (h) A manager of a corporation and the person who is responsible for the marketing or advertising areas in the corporation (in this section – an Officer in the Corporation) must supervise and do all in his power in order to prevent offenses under subsection (f) by the corporation or by one of its employees; if a person violates this section, then he shall be liable to the fine said in section 61(a)(3) of the Penal Law; if an offense was committed by the corporation or by one of its employees, then it is assumed that an Officer of the Corporation violated his obligation under this subsection, unless he did everything possible in order to fulfill his obligation.
- (i) A violation of the provisions of this section is a civil wrong and the provisions of the Tort Ordinance [New Version] shall apply thereto, subject to the provisions of this section.
- (j)
 - (1) If an Advertisement was knowingly transmitted in violation of the provisions of this section, then the court may award - in respect of that violation – compensation that does not depend on the damage (in this section: Exemplary Compensation), in an amount of not more than NIS 1,000, for each Advertisement received by the addressee in violation of the provisions of this section;
 - (2) when the court is about to determine the amount of Exemplary Compensation, it may take into consideration that that Advertiser was convicted of an offense under subsection (f) because of the same act.
 - (3) the court, when determining the amount of Exemplary Compensation, shall, *inter alia*, take the following considerations into account and it shall not take into account the amount of damage caused to the addressee in consequence of that violation:
 - (a) enforcing the law and deterring its violation;
 - (b) encouraging addressee to stand on his rights;
 - (c) the extent of the violation;
 - (4) nothing in the provisions of this subsection shall derogate from the right of the addressee to compensation under subsection (i) or to any other remedy, for the same violation;
 - (5) it is assumed that an Advertiser who transmitted an Advertisement in violation of the provisions of this section

did so knowingly as said in paragraph (1), unless it proves otherwise; in this regard, an Advertiser shall have no defense in the following cases:

- (a) the transmission of the Advertisement was carried out after the Advertiser has been given a Notice of Refusal by the addressee as said in subsection (d);
 - (b) the Advertiser has transmitted, in the past, an Advertisement to the addressee, in violation of the provisions of this section even if unknowingly;
 - (c) the Advertisement was transmitted to the addressee according to a list of addresses or telephone number, as the case may be, compiled according to a random sequence of alphabetical characters, digits or other symbols, or a combination of some or all thereof.
- (k) The Minister, with the approval of the Economic Affairs Committee of the Knesset, may prescribe directives concerning the implementation of this section, including in regard to –
- (1) the manner of delivery of an addressee's notice of express prior consent as said in subsection (b);
 - (2) the manner of delivery of the Advertiser's notice said in subsection (c)(1);
 - (3) the manner of giving a Notice of Refusal said in subsection (d);
 - (4) the manner of indicating the details that must be indicated in an Advertisement as said in subsection (e), and other ways of bringing the details said in subsection (e)(2) to the knowledge of the addressee;
 - (5) other details that an Advertiser must indicate in an Advertisement transmitted in accordance with the provisions of this section.
- (l) The Minister, with the approval of the Economic Affairs Committee of the Knesset may prescribe other ways of transmitting an Advertisement by means of a Telecommunications Facility, to which the provisions of this section shall apply.
- (m) Nothing in the provisions of this section shall derogate from the provisions of any law.

31. **Deception and trick**

- (a) If a person commits one of the following, then he shall be liable to six months imprisonment or to a fine said in section 61(a)(3) of the Penal Law, 5737-1977:
- (1) he uses a duly installed Telecommunications Facility by a deception or a trick; in this paragraph, "Telecommunications Facility" – including an unscrambling apparatus for encrypted Broadcasts;
 - (2) he obtains, by a deception or a trick, a duly provided Telecommunication Service or duly provided Broadcasts for himself or for another person;
 - (3) he manufactures, sells or distributes an instrument, the purpose of which is to enable the committing of an act said in paragraph (1) or (2).
- (b) If a person was convicted for an act under subsection (a), the court may obligate him to pay compensation to a licensee, to a person acting by virtue of a General Permit or a Broadcasting Licensee, as the case may be, as well as to any other person injured by the said use.
- (c) (Repealed).

32. **Duty of confidentiality**

No employee of a licensee, no person acting by virtue of a General Permit and no person acting on behalf thereof shall disclose or transfer the content of a Telecommunication Message, or information with regard to a Telecommunication Message, that reached him in the course of his work, except to a person to whom he may provide them; if a person violates the provisions of this section, then he shall be liable to three years imprisonment.

33. **Obstruction**

If a person unlawfully obstructs a licensee, a person acting by virtue of a General Permit or the agents thereof, on his own or through his agents or contractors, in lawfully installing, operating, maintaining, changing, examining or repairing a Telecommunications Facility, then he shall be liable to a fine, and if the obstruction continues, to an additional fine for each day on which it continues.

34. **Flora obstructing a Telecommunications Facility**

No person shall plant any plants, knowing that they may damage or obstruct a Telecommunications Facility.

35. **Severely damaging to a Telecommunications Facility by negligence**

If a person, by negligence, destroys or causes damage to a Telecommunications Facility, and in consequence thereof the activity of a Telecommunications Facility has ceased, then he shall be liable to a fine of NIS 40,800.

36. **Prohibition of works**

- (a) No person shall, whether on his own or through his agents or contractors, carry out digging, plowing or planting work, the depth of which exceeds fifty cm, at a distance of up to fifty meters from the route of a Road which is not a municipal Road, and thirty meters from the route of a municipal Road, unless he has received a permit therefore as said in section 53B; if a person violation the provision of this subsection, then he shall be liable to six months imprisonment.
- (b) The provisions of subsection (a) shall not apply to standard digging, plowing or planting works carried out by a person for the purpose of cultivating his garden.

36A. **Unapproved Terminal Equipment**

- (a) No person shall import, possess, distribute, sell, maintain or connect to a Public Telecommunication Network, for a commercial purpose, Terminal Equipment in respect to which a Type Approval required under the provisions of this Law has not been given; if a person violates the provisions of this subsection, then he shall be liable to a fine said in section 61(a)(4) of the Penal Law.
- (b) If a person violates the provisions of regulation under section 53A, that stipulate that the violation thereof constitutes an offense, then he shall be liable to a fine.

38. **Interdict and mandatory injunction**

If an act is has been committed in a manner and in circumstances involving a *prima facie* offence under sections 28, 28A, 31, 33, 35, 36 or 36A, whether an indictment was filed in the court for the offense or one was not yet filed, the court may order the accused or any person who appears to the court to be responsible for committing the offense, and the agents and contractors thereof, to cease the act that constitutes an offense or to carry out an act that will prevent the offense from continuing, and the order shall remain in effect until the court removes or changes it.

CHAPTER G1: MONETARY SANCTIONS

Article A: Imposition of a Monetary Sanction on the Licensee

37A. **Definitions**

In this Article –

"The Licensee" – including any person acting by virtue of a General Permit;
"Annual Income" – the total income of the Licensee in the fiscal year preceding the date on which it had committed the violation because of which Notice of Intent to Impose Sanction was sent to it, according to its annual financial statement for the said fiscal year, and if it has not submitted a said report – according to the information that it has provided under this law; "Linkage Differentials and Interest" - within their meaning in the Adjudication of Interest and Linkage Law, 5721-1961;
"Advisory Committee" – an advisory committee for matters concerning monetary sanctions;
"The Director" – the Director General of the Ministry of Communications;
"The Council" – as defined in section 6A;
"The Basic Amount" –

- (1) in regard to a Licensee who had committed the violation because of which a Notice of Intent to Impose Sanction was sent to it, in its first year of activity – NIS 230,000;
- (2) in regard to any other Licensee –
 - (a) if its annual income does not exceed NIS 100 million – NIS 230,000, with the addition of 1.3% of its annual income;
 - (b) if its annual income exceeds NIS 100 million – NIS 1,600,000, with the addition of 0.225% of its annual income;

"Chairperson of the Council" – within the meaning thereof in section 6B.

37A1. **The Advisory Council**

- (a) The Minister shall appoint an Advisory Committee for matters concerning monetary sanctions.
- (b)
 - (1) The Advisory Committee shall comprise of three members, with knowledge and experience suited to the functions of the Committee, at least one of whom shall be a woman, and two of whom shall be representatives of the public.
 - (2) Two of the members shall be qualified to be appointed a judge in a Magistrates Court, and at least one of the members shall have five years' experience as a senior

public officer or in a senior position in the public service in an economic, commercial, management or regulatory field.

- (3) The Minister shall appoint a chairperson for the Committee, from among its members.
 - (4) The members of the Committee shall be appointed for a period of three years, and they may be reappointed, provided that they shall not serve more than two consecutive terms of office.
- (c) No person shall be appointed member of the Council if one of the following holds true for him:
- (1) he has been convicted of an offense that because of its nature, severity or circumstances makes him unfit to serve as a member of the Committee;
 - (2) an indictment was brought against him for an offence said in subparagraph (1), and a final judgment has not yet been handed down.
 - (3) he is liable to frequently have, directly or indirectly, a conflict of interests between his duties as a member of the Advisory Committee and a Personal Interest or another position that he or his Relative holds; however, any conflict of interests arising solely from the member of the Advisory Committee's being an employee of the State shall not be deemed to be a conflict of interests for this purpose; for this purpose –
“Personal Interest” – including a personal interest of his Relative or an interest of a body in which the member of the Committee or his Relative is a supervisory employee or a manager, or an interest of a body in whose share capital, right to receive profits, right to appoint a director, or voting rights he or his Relative holds a part;
“Relative” - a spouse, in including a common law spouse, parent, parent of a parent, child, grandchild or sibling, or the spouse of any of those persons.
- (d) A Committee member shall cease to serve prior to end of his term of office in one of the following cases:
- (1) he has resigned by delivering a letter of resignation to the Minister;
 - (2) he is permanently unable to exercise his office, and the Minister, has dismissed him from his position by written notice;
 - (3) he has been convicted of an offense that because of its nature, severity or circumstances makes him - in the

opinion of the Minister - unfit to serve as a member of the Committee.

- (e) If an indictment has been filed against a Committee member, for an offense for which – in the opinion of the Minister – the provisions of subsection (d)(3) hold true, the Minister may suspend him from his function until the court hands down the final judgment in his matter.
- (f) A member of the Advisory Committee shall avoid participating in any discussion or vote at meetings, where the discussed issue is liable to cause him to have, directly or indirectly, a conflict of interests between his duties and any Personal Interest that he has or another position that he holds; if a member of the Advisory Committee learns that a subject discussed in a meeting may cause him to have a said conflict of interests, then he shall notify this to the Chairperson of the Committee.
- (g) The legal quorum at a meeting of the Committee shall be the majority of its members.
- (h) The Council's decisions shall be adopted by a majority of the votes of the Committee members present and voting at that meeting; in the case of an equal division of the votes - the chairperson shall have an additional vote, unless there is a vacancy in the Committee, not yet filled by another member.
- (i) Full minutes of the meetings of the Committee shall be taken; the minutes shall be open for public inspection, provided that the Director shall not publish details which are deemed information that a public authority is prevented, under section 9(a) of the Freedom of Information Law, 5758-1998, from disclosing, and it may also refrain from publishing details which are deemed information that a public authority is not under obligation to disclose under section 9(b) of the said law.
- (j) The Director shall be invited to every session of the Committee; in the meetings of the Committee, the Director shall present his position to the members of the Committee, including the main evidence on which it is based, and written submissions made by the Violator under section 37A8, and in regard to a Violator who has also made oral submissions – the protocol of the hearing of such oral submissions.
- (k) The Minister may prescribe provisions on the rules for the deliberations of the Advisory Committee; the Committee shall prescribe its own rules for its deliberations and its own work procedures, insofar as they are not prescribed by this law.
- (l) Members of the Advisory Committee that are not employees of the State shall be deemed to be employees of the State for the purposes of the following statutes:
 - (1) the Public Service Law (Gifts), 5740-1979;

- (2) the Penal Law, 5737-1977 – the provisions concerning public servants;
- (3) the Public Service (Restrictions After Retirement) Law, 5729-1969, after the end of their term of service with the Committee.

37A2. Monetary sanction imposed on a Licensee

- (a) If a Licensee violates one of the provisions under this law that applies to it, as specified in the Schedule, The Director may impose on it a monetary sanction under the provisions of this Article, in an amount as set out below, as the case may be, provided that the said amount shall not exceed the amount said in section 37A5:
 - (1) for the violation of a provision listed in Part A of the Schedule – up to 12.5% of the Basic Amount;
 - (2) for the violation of a provision listed in Part B of the Schedule – up to 25% of the Basic Amount;
 - (3) for the violation of a provision listed in Part C of the Schedule – up to 50% of the Basic Amount;
 - (4) for the violation of a provision listed in Part D of the Schedule – up to the Basic Amount;
 - (5) for the violation of a provision listed in Part E of the Schedule – up to NIS 25,000.
- (b) The Minister may, by order, with the consent of the Minister of Justice and with the approval of the Economic Affairs Committee of the Knesset, change the Schedule.

37A3. Monetary sanction imposed on a person who has been granted Type Approval

If a person who has been granted Type Approval violates one of the conditions of the Type Approval, then the Director may impose on it a monetary sanction under the provisions of this Article in an amount of up to NIS 100,000, provided that the said amount shall not exceed the amount said in section 37A5.

37A4. Monetary sanction imposed on a person operating without a license, permit or approval

If the Director has reasonable grounds to assume that a person violated one of the provisions under this law, as listed below, then he may impose on it a monetary sanction in an amount of up to NIS 230,000, provided that the said amount shall not exceed the amount said in section 37A5:

- (1) it performed Telecommunication Activity or provided a Telecommunication Service without a license or a General Permit, in violation of the provisions of section 2(b);
- (2) he broadcasted Cable Broadcasts or Satellite Television Broadcasts without a Broadcasting license, in violation of the provisions of sections 6G(a) or 6RR(b).
- (3) it imported, possessed, distributed, sold, maintained or connected to a Public Telecommunication Network, for a commercial purpose, Terminal Equipment in respect to which a Type Approval required under the provisions of this Law has not been given, in violation of section 36A(a).

37A5. Maximum amount of a monetary sanction

The maximum amount of a monetary sanction under the provisions of section 37A2 through 37A4 shall not exceed 20% of the Annual Income of the Violator, and in regard to a Violator during the first year of its activity – it shall not exceed 20% of the amount referred to in paragraph (1) of the definition of “the Basic Amount”.

37A6. Considerations in the determination of the amount of the monetary sanction

- (a) Before it determines the amount of the monetary sanction that he shall impose due to the violation of one of the provisions of this law as said in sections 37A2 through 37A4, the Director may consider, *inter alia*, the following circumstances and considerations, as the case may be:
 - (1) the degree to which the violation causes impairment to competition in the field of Telecommunication or in the field of Broadcasting;
 - (2) the degree to which the violation causes impairment to the Provision of Telecommunication Services or to the provision of Broadcasts in a proper and regular manner;
 - (3) the number of subscribers exposed to the impairment caused as a result of the violation;
 - (4) the duration of the violation;
 - (5) the amount of the financial damage caused as a result of the violation;
 - (6) the monetary profit arising to the Violator as a result of the violation;
 - (7) the degree of benefit arising to the Violator as a result of the violation;
 - (8) previous violations committed by the Violator;

- (9) actions taken by the Violator upon the discovery of the violation, including ceasing the violation at its own initiative and reporting it to the Director, and taking action to prevent a recurrence of the violation and to mitigate the damage caused as a result thereof;
 - (10) in regard to a Violator who is an individual – his financial capability, including his income that was produced or which accrued from a corporation related to the violation, and personal circumstances because of which the violation was committed or difficult personal circumstances which justify not applying the full extent of the law to the Violator;
 - (11) in regard to a Violator who is a corporation – the existence of substantial suspicion that as a result of imposing the sanction, the Violator is liable to be unable to pay its debts and that its activity is liable to cease.
- (b) The Director shall establish criteria for the determination of the amount of the monetary sanction, and he may prescribe, as part the said criteria, provisions regarding the weight that he shall assign to the circumstances and considerations set out in subsection (a), and additional circumstances and consideration that shall be taken into account in determining the said amount, and the weight thereof; the criteria and any change in them shall be published on the internet website of the Ministry of Communications.

37A7. Notice of intention to impose a monetary sanction

- (a) If the Director has reasonable grounds to assume that a person has violated one of the provisions under this law that applies to it as said in sections 37A2 through 37A4 (in this Article – the Violator), and intends to impose upon the Violator a monetary sanction under this Article, he shall serve the Violator with a notice of intent to impose a said monetary sanction upon it (in this Chapter—Notice of Intent to Impose Sanction).
- (b) In the Notice of Intent to Impose Sanction, the Director shall note the following, *inter alia*:
 - (1) the action or inaction (in this chapter—the Action) that constitutes the violation;
 - (2) the factual basis allegedly establishing that the offense was committed;
 - (3) the amount of the monetary sanction which he intends to impose upon the Violator and the period for payment thereof;

- (4) the consideration that guided him in determining the amount of the monetary sanction;
- (5) the Violator's right to present its arguments to the Director, in accordance with the provisions of Section 37A8.

37A8. Right to a hearing

- (a) Once a Violator is served with a Notice of Intent to Impose Sanction under the provisions of section 37A7, it is entitled to present his arguments before the Director, orally or in writing, as the Director may decide, in respect of the intent to impose a monetary sanction upon it and in respect to its amount, within 30 days of the date on which said notice is served.
- (b) The Director may, at the request of the Violator, extend the period said in subsection (a) by a period no exceeding 60 days.

37A9. The Director's decision and the Demand for Payment

- (a)
 - (1) The Director shall decide, after considering the arguments presented under the provisions of Section 37A8, and after consulting with the Advisory Committee as to the violations listed in Parts C and D of the Schedule, whether to impose a monetary sanction upon the Violator and the amount of the monetary sanction to be imposed, and he shall serve the Violator with notice thereof under subsection (b).
 - (2) The decision of the Director shall be given within 90 days from the end of the period said in section 37A8(a) or (b), whichever is later; however, if the Director finds that additional investigation is required in order to take a decision, then he may extend the said period by periods of 90 days at a time, for reasons that he shall set out in a written notice that he shall deliver to the Violator.
- (b) If the Director decides, under the provisions of Subsection (a) –
 - (1) to impose a financial sanction upon the Violator - he shall serve the Violator with a written demand for payment of the monetary sanction (hereinafter—Demand for Payment); in the Demand for Payment, the Director shall note, *inter alia*, the adjusted amount of the monetary sanction and the period for the payment thereof;
 - (2) not to impose a financial sanction upon the Violator - he shall serve the Violator with written notice to this effect.

- (c) The Director shall set out the reasons for his decision in the Demand for Payment or in the notice under subsection (b).
- (d) If the Violator fails to present his arguments in accordance with the provisions of Section 37A8(a) within thirty days of being served with a Notice of Intent to Impose a Sanction, or within a longer period set under section 37A8(b), if any was determined, such notice, at the end of the said period, shall constitute a Demand for Payment served on the Violator at the said time.

37A10. Adjusted amount of monetary sanction

- (a) The monetary sanction shall be set at the adjusted amount as of the date of serving of Demand for Payment and, in regard to a Violator who has not presented the Director with his arguments as set forth in section 37A8 - as of the date of serving of Notice of Intent to Impose Financial Sanction; if a petition is filed to the Court of Administrative Matters and the court allows a stay of payment of said monetary sanction under the provisions of section 37A15— the monetary sanction shall be set at the adjusted amount on the day the petition decision is rendered.
- (b) The amounts set in the definition “the Basic Amount” in section 37A and the amounts of the monetary sanction set in sections 37A2 through 37A4 shall be adjusted on January 1 of each year (in this section – the Date of the Adjustment), commensurate with the rate of increase of the Index known on the Date of Adjustment compared to the Index that was known on 1 January of the preceding year, and in respect of the first Date of Adjustment – compared to the Index that was known on 19 Tevet 5773 (1 January 2013); the day on which the Environmental Protection Law (Polluters Pay) (Legislative Amendments) 5768-2008 entered into force; the said amounts shall be rounded to the nearest amount that is a multiple of NIS 10; for this purpose, "Index" – the Consumer Price Index published by the Central Bureau of Statistics.
- (c) The Director shall publish a notice in *Reshumot* of amounts adjusted under subsection (b).

37A11. Deadline for payment of monetary sanction

A monetary sanction shall be paid within thirty days of the day on which the Demand for Payment specified in section 37A9 is served.

37A12. Indexation Differentials and Interest

If a monetary sanction is not paid on time, it shall be increased on account of the period of arrears by Linkage Differentials and Interest until it is paid.

37A13. **Collection**

- (a) A monetary sanction shall be remitted to the State Treasury and the Tax (Collection) Ordinance²⁶ shall apply to the collection thereof.
- (b) Without derogating from powers of collection under any law, the Director may collect a monetary sanction by way of realization of all of some of the guarantees furnished by the Licensee under the provisions of sections 4(d) or 4A1; the Director may allow the monetary sanction to be paid in increments, even if it is collected by way of realization of said guarantees.

37A14. **Prevention of duplicate sanctions**

No more than one monetary sanction shall be imposed in respect of one Action constituting a violation of one of the provisions under this law referred to in section 37A2 through 37A4 and of one of the provisions of another law.

37A15. **Stay of payment and refund**

- (a) Nothing in the filing of a petition under the Court of Administrative Matters Law, 5760-2000, with respect to the imposition of a monetary sanction, shall stay the payment of the monetary sanction, unless the Director gave his consent thereto or the court so ordered.
- (b) Where a petition said in subsection (a) has been accepted after the monetary sanction was paid in accordance with the provisions of this Article, then the amount of the monetary sanction shall be refunded with the addition of Linkage Differentials and Interest from the day of payment to the day of refund.

37A16. **Publication of the imposition of a monetary sanction**

- (a) If the Director imposes a monetary sanction under this Article, he shall publish on the internet website of the Ministry of Communications the following details, in a manner ensuring transparency as to the exercise of his discretion in taking the decision to impose a monetary sanction:
 - (1) the fact of the imposition of the financial sanction;
 - (2) the nature of the violation for which the financial sanction was imposed, and the circumstances of the violation;
 - (3) the amount of the monetary sanction imposed and the main reasons for the amount thereof, and the maximum amount that may be imposed on the Violator for the violation;
 - (4) relevant details about the Violator;
 - (5) the name of the Violator, unless he is an individual; however, the Director may publish the name of a Violator

who is an individual if he concludes that doing so is necessary for the purpose of warning the public, and the monetary sanction was imposed due to a violation related to the provision of a service to the public.

- (b) Notwithstanding the provisions of this section, the Director shall not publish details which are deemed information that a public authority is prevented, under section 9(a) of the Freedom of Information Law, 5758-1998, from disclosing, and it may also refrain from publishing details under this section which are deemed information that a public authority is not under obligation to disclose under section 9(b) of the said law.
- (c) An advertisement said in section (a), in regard to a monetary sanction imposed on a corporation, shall be for a period of four years, and in regard to a monetary sanction imposed on an individual – two years; the Minister of Justice shall prescribe provisions on ways to prevent the possibility of inspection of the details published under subsection (a), after the said period of advertisement has elapsed.
- (d) If a petition was filed with the Court for Administrative Matters with respect to the imposition of a monetary sanction under the provisions of this Article, the Director shall publish the fact of the filing of the petition and the outcome thereof.
- (e) The Minister may determine additional ways of publishing the details said in paragraphs (1) through (3) of subsection (a).

37A17. Saving of criminal liability

- (a) Payment of a monetary sanction under the provisions of this Article shall not derogate from a person's criminal liability for a violation of a provision under this law referred to in sections 37A2 through 37A4, 5D, which constitutes an offense.
- (b) Notwithstanding the provisions of subsection (a), where the Violator has paid a monetary sanction for a violation said in that subsection, no indictment shall be filed against it for the same Action, unless new facts or evidence are discovered, justifying the said filing; if the Violator has paid a monetary sanction and an indictment is filed against it in the circumstances said in this subsection – then the amount paid shall be refunded, with the addition of Linkage Differentials and Interest from the day of payment to the day of refund.
- (c) If an indictment is brought against a person for a violation which constitutes an offense, said in subsection (a), then the Director shall not take proceedings under this Chapter against it, for that violation.

37A18. Delegation of Powers

The Director may delegate his power to impose a monetary sanction under section 37A2 for a violation of a provision listed in Parts A, B or E of the Schedule and under section 37A3 to the Deputy Director General for Supervision and Enforcement of the Ministry of Communications.

37B. (Repealed).

Article B: Imposition of a Monetary Sanction on a Broadcasting Licensee

37B1. **Monetary sanction imposed on a Broadcasting Licensee**

- (a) If the Director has reasonable grounds to assume that a Broadcasting Licensee did one of the following, then he may impose thereon monetary composition at a rate of seven times the fine set out in section 61(a)(1) of the Penal Law:
- (1) it violated one of the provisions of sections 5 or 6L, or a regulation, provision, instruction or directive made or issued thereunder;
 - (2) it violated a provision prescribed by regulations under section 6I(a);
 - (3) it violated an instruction or directive issued by the Minister in accordance with his authority under sections 6I1(b), 6V, 6HH(a) or 13;
 - (4) it violated one of the conditions of the license prescribed under section 6H(f);
 - (5) it did not comply with any directive or instruction issued by the Minister or the Director in accordance with his authority under this Law, within the time set in the directive or instruction;
 - (6) It violated a directive issued to it under section 4C1.
- (b) If the Director has reasonable grounds to assume that a Broadcasting Licensee did one of the following, then he may impose thereon monetary composition at a rate of seven times the fine set out in section 61(a)(1) of the Penal Law:
- (1) it violated an instruction or provisions under section 6H1, 6K2(c) or (d), 6U, 6X;
 - (2) it violated one of the conditions of an approval granted under section 6T1 or of a rule made under the said section;
 - (3) It violated one of the provisions of section 6Y;
 - (4) it violated one of the provisions of the rules made under sections 6E(5), 6T(f), 6X1 or 6ZZ;

- (5) it violated one of the conditions of the license, except conditions imposed under section 6H(f);
- (6) It violated an instruction given by the Council in accordance with its authority under section 6I1(b);
- (7) it did not comply with an instruction given by the Chairperson of the Council in accordance with his authority under this Law, within the time prescribed in the instruction.

37B2. (Repealed).

37C. **Continuing violation and repeated violation**

- (c) In the case of a violation said in section 37B1, a monetary composition at the rate of one fiftieth of the composition set out in respect thereof shall be added to the said monetary composition, for each day on which the violation continues.
- (d) In the event of a Recurring Violation, an amount equal to half of the monetary sanction that may be imposed for a first violation shall be added; for this purpose, "Rucurring Violation" – an additional violation under section 37B1, for which a monetary sanction is prescribed, within two years of the date on which a monetary sanction was impose for the first violation.

37D. **Demand for the monetary composition and the payment thereof**

A monetary sanction shall be paid in accordance with the written demand of the Director or of the Chairperson of the Council, as the case may be, within 30 days from receipt thereof; the demand shall be issued after the Broadcasting Licensee has been given written notice of the intention of issuing it, and was afforded an opportunity to voice its contentions.

37E. **Linkage differentials and interest**

Where a monetary sanction was not paid on time, then Linkage Differentials and Interest for the time in arrears shall be added thereto.

37F. **Collection**

- (a) A monetary sanction shall be remitted to the State Treasury.
- (b) Without derogating from powers of collection under any law, the Director or the Chairperson of the Council, as the case may be, may collect a monetary sanction by way of realization of all of some of the guarantees furnished by the Broadcasting Licensee under the provisions of its license.

37G. **Saving of criminal liability**

- (a) Payment of a monetary sanction shall not derogate from the Broadcasting Licensee's criminal liability under any law.
- (b) If an indictment was brought against a person for an offence under this Law, then he shall not be charged in respect thereof with the payment of a monetary sanction, and if he paid, then the monetary sanction shall be refunded thereto with the addition of Linkage Differentials and Interest from the day of payment to the day of refund.

37H. (Repealed).

37I. **Manner of delivery**

In regard to the imposition of a monetary sanction under this Chapter, the delivery of an order, determination, directive or instruction that were not published in *Reshumot* and that were not set out in the license (in this section – Directive) shall be made in accordance with the provisions of section 237 of the Criminal Procedure (Consolidated Version) Law, 5742 - 1982, *mutatis mutandis*, and no monetary sanction shall be imposed for the violation of a Directive that was not delivered as aforesaid.

CHAPTER G2: SUPERVISION

37J. **Definitions**

“Licensee” - including any person acting by virtue of a General Permit and a holder of a Broadcasting License;

“Inspector” – a person appointed under the provisions of section 37K.

37K. **Appointment of Inspectors**

- (a) The Minister may appoint, from among the employees of his office, Inspectors that shall supervise the implementation of the provisions under this law.
- (b) No Inspector shall be appointed under the provisions of subsection (a) unless all the following hold true for him:
 - (1) he has not been convicted of an offense that because of its nature, severity or circumstances renders him, in the opinion of the Minister, unfit to serve as an Inspector, and no indictment was brought against him for a said offense;

- (2) he has been given suitable training in the sphere of powers that will be vested in him under this Chapter, as prescribed by the Minister with the consent of the Minister of Internal Security.
- (3) he meets additional qualification conditions, such as prescribed by the Minister with the consent of the Minister of Public Security.

37L. **Powers of Inspection**

- (a) For the purpose of the supervision of the implementation of the provisions under this law, an Inspector may-
 - (1) demand that any person identify himself by name and address and present him with an ID card or other official document that establishes his identity;
 - (2) demand that any person concerned furnish him with any information or Document that may assure or facilitate the performance of the provisions under this law; in this Paragraph, the term “Document” includes any recording made in order to document the contract between the Licensee and a subscriber, and including output as defined in the Computers Law, 5755-1995;
 - (3) enter, at any reasonable time, the Premises of a Licensee and the premises of any Telecommunication Service, provided that a place used as residence is entered only by court order; in this paragraph, “Premises of a Licensee” – including any place where a Licensee or any person acting on its behalf conducts its business, for the purpose of the performance of Telecommunication Activities or the provision of Telecommunication Services;
 - (4) perform measurements, take samples or conduct tests of any Telecommunication Facilities or Telecommunication equipment present on the Premises of a Licensee as defined in paragraph (3) or on the premises of a Telecommunication Service recipient, and to deliver such measurements, samples and tests to a laboratory, keep them or otherwise treat them.

37M. **Administrative inquiry**

- (a) If the Director General of the Ministry of Communications has reasonable grounds to assume that a Licensee has violated a provision under the provisions of this law as said in sections 37A2 or 37B1(a), then he may, for reasons that shall be recorded, allow the Inspector, in addition to the powers enumerated in section 37L, to

summon an Officer in the Licensee who, in the opinion of the Director, may have information concerning the violation, to appear at his offices at such a reasonable date as shall be set, in order to inquire into the violation; a person summoned as aforesaid shall appear on the said date.

37N. **Identification of Inspectors**

A Supervisor shall not make use of the powers vested in him under this Chapter, except for the discharge of his duties and unless he satisfies the following two conditions:

- (1) wearing, in a visible place on his person, a tag identifying him and his function;
- (2) carrying a certificate signed by the Minister, that attests to his function and powers, which he shall produce upon request.

CHAPTER H: CIVIL WRONGS

38. **Damages for Impairment of a Telecommunications Facility**

- (a) In this section, "Engineering Equipment" – within its meaning in section 1 of the Registration of Engineering Equipment Law, 5717-1957.
- (b) If a person impairs the Telecommunications Facility of a licensee or of a person acting by virtue of a General Permit, while carrying out work by means of Engineering Equipment, in a manner that is liable to obstruct or endanger the provision of a Telecommunication Service, then he must pay the licensee or the person acting by virtue of a General Permit the expenses incurred by it in order to repair the damage caused to the Telecommunications Facility, as well as the loss of income caused to the licensee or to the person acting by virtue of a General Permit in consequence of the impairment.
- (c) The Minister or a person authorized by him thereto shall determine the amount of the loss of income and the said determination shall serve as *prima facie* evidence of the said amount.
- (d) If a person impairs a Telecommunications Facility as said in subsection (b), then he shall exempt from the payment said in that section if he proves one of the following:
 - (1) that he has obtained permit under section 53B for the work in the course of which he impaired a Telecommunications

Facility and has acted in accordance with all of the terms of the permit;

- (2) that he was not obligated to obtain a said permit, and he took all reasonable measures to prevent the impairment of the Telecommunications Facility.
- (e) An impairment under subsection (b) is a civil tort and the provisions of the Torts Ordinance [New Version] shall apply thereto.
- (f) The provisions of this section shall add to the provisions of the Torts Ordinance [New Version] and shall not derogate therefrom.

CHAPTER I: IMMUNITIES

39. (Repealed).

40. **Limitation of tort liability**

Subject to the provisions of section 41, a licensee who has been granted immunity under section 4(f) in regard to this section (in this section – Holder of Immunity), its employees and any person acting on its behalf shall not bear tort liability except for –

- (1) direct damage caused due to the restriction of or discontinuation of a Telecommunication Service;
- (2) damage deriving from an intentional act of or severe negligence on the part of the Holder of Immunity, its employees or any person acting on its behalf.

41. **Exemption from tort liability**

No Holder of Immunity and no employee or person acting on behalf thereof, shall bear liability for damage caused due to -

- (1) the non-provision of Telecommunication Services and ancillary services, or the suspension, restriction or discontinuation thereof, deriving from an intentional act of the Holder of Immunity, if it is required for the purpose of carrying out a Telecommunication Activity or of the provision of a Telecommunication Service;
- (2) an error in the provision of a Telecommunication Service, an error in a Telecommunication Message or an omission therefrom, or non-delivery of a Telecommunication Message or a late delivery thereof, the delivery of a Telecommunication Message to the wrong address or an incorrect registration in a subscriber directory or in any other publication by the Holder of Immunity, unless caused by severe negligence.

42. **Saving of standard stipulations**

Nothing in the provisions of this Chapter shall derogate from stipulations between a Holder of Immunity and a service recipient, provided that all of the following hold true for them:

- (1) they are stipulated with all service recipients or with all service recipients of certain types;
- (2) they were approved by the tribunal under the Standard Contract Law, 5743-1982;
- (3) they were published in *Reshumot*.

43. **The content of a Telecommunication Message shall not be disclosed in a trial**

The Minister may prescribe in a certificate that an employee of a licensee shall not testify, in a legal proceeding or in an investigation before a person or body authorized by law to collect evidence, on the content of a Telecommunication message and shall not exhibit, under a subpoena or order, the source of the Message, signed by the sender or on behalf thereof.

44. **Restrictions**

The provisions of section 43 shall not apply in one of the following cases:

- (1) the sender of the Message or the addressee thereof notified the licensee of their consent to a said giving of testimony or a said exhibiting of evidence;
- (2) in criminal proceeding, in the matter of an offense for which the penalty is death or imprisonment for a period exceeding one year.

45. **Transcript of a Telecommunication Message shall serve as evidence**

The Minister may prescribe by order that the transcript of a Telecommunication Message, in writing, stamped or signed by the stamp or hand of an employee of a licensee who received the message for the sending thereof shall be admissible in every court and legal proceeding as *Prima facie* evidence that its content is identical to the content of the original message and that the said message was signed and has been delivered for transmission by the person by whom it should be signed, and there shall be no need to prove the signature of the person who signed the original message or the delivery of the message for transmission or the stamp or the signature of the employee who received the transcript for delivery.

CHAPTER J: THE COMPANY

48. **Grant of a General License to the Company**

The Minister shall grant a General License to the Company.

49. **Transfer of Assets Agreement**

- (a) In this Chapter, "Asset" – land, movable property, rights and benefits of any kind whatsoever.
- (b) Notwithstanding anything provided in any law and subject to the provisions of the State Assets Law, 5711-1951, it shall be allowed, by an agreement, to vest in the Company the rights of the State in assets that were placed at the disposal of the Ministry of Communications for the purposes of providing a Telecommunication Service and the rights and authorities of the State under the agreements, contracts and transactions that were in effect in respect to Telecommunication Services immediately before the commencement of the agreement; a said agreement shall be hereinafter in this Chapter referred to as "a Transfer of Assets Agreement".
- (c) The Minister may, by an order, exempt the Company from –
 - (1) payment of all or some fees, stamp duty, taxes and any other compulsory payments involved in the performance of the Transfer of Assets Agreement;
 - (2) payment of all or any part of stamp duty for a share allocation report said in section 93 of the Companies Ordinance.
- (d) Notwithstanding anything provided in sections 24 and 95 of the Income Tax Ordinance, the original price of the assets, the rights in which were vested in the Company by a Transfer of Assets Agreement, shall be the value thereof as determined in the Transfer of Assets Agreement, and the date of commencement of the said agreement shall be deemed to be the date of the purchase thereof.

50. **Transfer of rights, powers, liabilities and obligations**

After the a Transfer of Assets Agreement was signed, the Minister may, notwithstanding anything provided in any law or agreement, prescribe, by an order, that the company shall replace the State in respect of the assets, agreements, contracts and transaction said therein, both in respect of the rights and powers of the State and in respect of the liabilities and obligations that have been imposed thereon immediately before the commencement of the Transfer of Assets Agreement.

51. **Pending actions**

The Minister may determine, by an order, that the Company shall replace the State in respect of certain categories of actions by or against the State that were pending immediately before the commencement of the Transfer of Assets Agreement, in connection with assets, agreements, contract and transactions said in section 47(b), as well as in respect of causes of said actions that existed at that time, excluding actions by employees of the State concerning the period during which they were employees of the State.

50. (Repealed).

51. **Restrictions with respect to a Special License**

- (a) No Special License shall be granted in respect of the equipment that the Ministry of Communications has dealt with prior to the passage of this Law in the Knesset (hereinafter – Ministry Equipment) or in respect to identical equipment that shall replace it.
- (b) No Special License shall be granted in respect of equipment that is similar to Ministry Equipment, and that replaces or is intended to replace it, except after the Minister has consulted with the Company and decided, after having considered, *inter alia*, the Company's interest in carrying out the Activity or providing the Service which the license concerns, that the public welfare requires that the license be granted to the person applying therefor.

CHAPTER J1: PROVISIONS CONCERNING THE CANCELLATION OF CONTRACTUAL AGREEMENTS IN THE FIELD OF COMMUNICATIONS AND PROHIBITION OF RESTRICTING OR BLOCKING IN MOBILE RADIO TELEPHONE SERVICES

51A. **Prohibition of payment and loss of a benefit due to the cancellation of an agreement for the provision of Mobile Radio Telephone services**

- (a) In this Chapter –
 - "Licensee" – a holder of a General License for the provision of mobile radio telephone services and a holder of a Mobile Radio Telephone via another Network License;
 - "Payment" – including the return of a benefit granted to a subscriber when the contract with the Licensee was made or during the period of the contract.
- (b) If a Subscriber of a Licensee cancels the contractual agreement with it, then the Licensee shall not charge him a Payment and shall not deny him a benefit that he would have received but for the cancellation; notwithstanding the aforesaid, a Licensee may charge the balance of the payments of the Subscriber for the Terminal

Equipment said in section 51B, and debts accrued by the Subscriber; for this purpose –

"Subscriber" – a person who entered into a contractual agreement with a Licensee for receiving mobile radio telephone services for no more than a hundred telephone lines, excluding a person who entered into a Combined Contractual Agreement as defined in section 51D(a);

- (c) Nothing in the provisions of this section shall derogate from any existing right of the Subscriber under the provisions of any law.

51B. Transaction for the purchase of Terminal Equipment from a Mobile Radio Telephone Licensee

- (a) If a subscriber and a Licensee have agreed upon payment in installments for Terminal Equipment purchased by the subscriber from the Licensee, and the subscriber cancelled the contractual agreement with the Licensee, the Licensee may not call for immediate payment of the balance of the subscriber's payments for Terminal Equipment that he has purchased as aforesaid, and the subscriber may continue to pay the payment in installments, the dates and amounts of which shall be the same as those of the installments he would have been required to pay but for the cancellation.
- (b) No Licensee shall create a link between a subscriber's contract for obtaining mobile radio telephone services and the same subscriber's contract with it or with another person for the purchase, rental or loan of Terminal Equipment, whether such contracts are made in a single agreement or separate agreements, including by way of granting a discount or any other benefit whatsoever under one contract, because of the other contract.

51C. Prohibition of restricting or blocking

- (a) In this section –
"Security Forces" – as defined in section 13;
"Trade" – as defined in section 5(a1) of the Wireless Telegraph Ordinance [New Version], 5732-1972.
- (b) No Licensee and no person who engages in trading in Terminal Equipment which is mobile radio telephone equipment (in this section – M.R.T. Terminal Equipment) shall cause the restriction or blockage of the following, on his own or through another person, including by way of setting tariffs:
 - (1) the possibility open to the subscriber to use any service or application provided over the internet;

- (2) the intrinsic properties and characteristics of M.R.T. Terminal Equipment;
 - (3) the possibility open to the subscriber to use M.R.T. Terminal Equipment over any Public Telecommunication Network of a Licensee.
- (c) Notwithstanding the provisions of subsection (b) –
- (1) the provisions of paragraph (1) of the said subsection shall not apply to a restriction or blockage said in that paragraph, that is necessary for the proper and fair management of the Telecommunication messages transferred over the Licensee's Public Telecommunication Network; the Minister may give instructions in regard to the conditions that, if they hold true, a restriction or blockage shall be considered to be necessary for the proper and fair management as aforesaid;
 - (2) the provisions of paragraphs (1) through (3) of the said subsection shall not apply if one of the following holds true:
 - (a) a subscriber or a group of subscribers have requested it, with regard to all or any of the said paragraphs, from a Licensee or a person who engages in trading in M.R.T. Terminal Equipment, in a detailed and express request delivered separately from the contractual agreement; if a said request was delivered to a Licensee, the subscriber or group of subscribers, as the case may be, and the Licensee, may stipulate in the contractual agreement therebetween that it shall not be possible to remove the restriction or blockage or set out the conditions for the removal of the restriction or blockage said in those paragraphs;
 - (b) the Minister has permitted it, with regard to all or any of the said paragraphs, in special cases, including at the request of the Security Forces; for this purpose, the Minister shall permit as aforesaid having regard to the considerations said in section 4(b), and for the shortest fixed period required in the circumstances of the matter, and he may extend this period by additional said periods, if he considers it necessary in the circumstances of the matter.

51D. **Restriction on payment and loss of a benefit due to the cancellation of a Contractual Agreement with a Licensee or a Combined Contractual Agreement**

- (a) In this section –
- "Licensee" – including a Broadcasting Licensee and excluding a Mobile Radio Telephone Licensee;
 - "Mobile Radio Telephone Licensee" – a Licensee as defined in section 51A(a);
 - "Contractual Agreement" – a Contractual Agreement with a Licensee or a Combined Contractual Agreement;
 - "Contractual Agreement with a Licensee" – an agreement with a Licensee for the purchase of its services, or for the purchase of its services and the services of other Licensees;
 - "Combined Contractual Agreement" – an agreement with a Licensee or a Mobile Radio Telephone Licensee, for the purchase of services of one or more Licensees, and services of a Mobile Radio Telephone Licensee;
 - "Average Monthly Bill" – the Subscriber's average monthly bill for the services of a Licensee provided by virtue of a Contractual Agreement with a Licensee or the services of a Licensee and the services of a Mobile Radio Telephone Licensee provided by virtue of a Combined Contractual Agreement, consumed by the Subscriber during the period of the agreement until the date of the cancellation thereof, all of which excluding Terminal Equipment rental or lending services;
 - "Subscriber" – any one of the following, as the case may be:
 - (1) a person who entered into a Contractual Agreement with a Licensee, and his Average Monthly Bill is lower than 5,000;
 - (2) a person who entered into a Combined Contractual for, *inter alia*, obtaining Mobile Radio Telephone services for a hundred telephone lines at the most, and whose Average Monthly Bill is lower than 5,000;
- "Payment" – including the return of a benefit granted to a Subscriber at the time of entering into the Contractual Agreement or during the period of the contract.
- (b) If a Subscriber cancelled the Contractual Agreement, then a Licensee or a Mobile Radio Telephone Licensee, as the case may be, shall not charge him a Payment and shall not deny him a benefit that he would have received but for the cancellation; notwithstanding the aforesaid, a said Licensee may charge the balance of the payments of the

- Subscriber for the Terminal Equipment said in section 51E, and debts accrued by the Subscriber.
- (c) Nothing in the provisions of this section shall derogate from any existing right of the Subscriber under the provisions of any law.

51E. **Transaction for the purchase of Terminal Equipment under a Contractual Agreement**

If payment in installments for Terminal Equipment that has been purchased by the Subscriber from a Licensee or from a Mobile Radio Telephone Licensee was agreed on in a Contractual Agreement, and the Subscriber cancels the Contractual Agreement, the Licensee or the Mobile Radio Telephone Licensee, as the case may be, may not may not call for immediate payment of the balance of the subscriber's payments for Terminal Equipment that he has purchased as aforesaid, and the subscriber may continue to pay the payment in installments, the dates and amounts of which shall be the same as those of the installments he would have been required to pay but for the cancellation; for this purpose, "Licensee", "Mobile Radio Telephone Licensee" and "Contractual Agreement" – as defined in section 51D(a).

CHAPTER K: MISCELLANEOUS PROVISIONS

52. **Provision of services to the State**

Subject to the provisions of section 13, the Minister shall set out by regulations the conditions for the provision of Telecommunication Services to the State by a licensee.

51A. **Special License granted to Israel Postal Company Ltd.**

For the purpose of maintaining telegraphy under the Postal Law, 5746-1986, the Minister shall grant the company as defined in the said law a Special License and shall obligate the licensee at the disposal of whom are the Telecommunications Facilities required for maintaining telegraphy to enable it to use its facilities; the provisions of section 5 shall apply to the use of the said facilities.

53. **Application to the State**

- (a) The provisions of Chapter F shall apply to the State as the owner of land or as the occupier thereof.
- (b) The provisions of Chapters F and I shall apply to the State when it conducts Telecommunication Activities or provide Telecommunication Services by virtue of its right under section 2(a), as if it were a licensee under this Law.

53A. **Oversight of Terminal Equipment**

- (a) The Minister may prescribe, by regulations, provisions concerning –
 - (1) ways of and conditions for giving a Type Approval, including in regard to the conduct of examinations and measurements of Terminal Equipment and examinations of technical specifications of said equipment;
 - (1a) conditions for authorizing an External Laboratory to conduct examinations and measurements as said in paragraph (1);
 - (1b) conditions for grant of authorization to an External Laboratory to grant Type Approvals;
 - (2) Payments or maximum payments for examinations and measurements or for the grant of a Type Approval as said in paragraph (1);
 - (3) the importation of Terminal Equipment and the distribution, sale, handling and manner of maintaining thereof;
 - (4) the obligation to provide or deliver any information, document or equipment, on matters listed in this subsection, or required for the implementation of provisions under this section.
- (b) (Repealed).
- (c) Notwithstanding the provisions of the introductory passage of subsection (a), provisions concerning the matters listed in paragraphs (1), (3) and (4) of the said subsection may be prescribed by a procedure, by the Director General of the Ministry of Communications; provisions prescribed by the said Director shall be published on the internet website of the Ministry of Communications and shall not require publication in *Reshumot*.
- (d) In prescribing regulations or procedures under this section the following considerations, *inter alia*, shall be taken into account:
 - (1) the government policy on Telecommunications or on Terminal Equipment;
 - (2) considerations concerning the public welfare;
 - (3) promoting competition and the standard of services in the field of Telecommunications and in the field of Terminal Equipment;

53B. **Permit for works**

- (a) The Minister or any person from among the employees of the State or the employees of the Company authorized thereto may grant a permit for carrying out works listed in section 36.
- (b) Any person who deems himself injured by the decision of the person authorized as said in subsection (a) may appeal it to the Minister within twenty one days from the date on which he received it.

53C. **Standards and specifications**

The Minister may issue directives on standards and technical specifications of Telecommunications Facilities, including Terminal Equipment and N.T.P. (Network Termination Point) and the manner of publication thereof.

54. **Royalties**

- (a) A licensee shall pay royalties to the State.
- (b) The royalties shall be paid for the income of the licensee from the provision of Telecommunication Services determined by the Minister and the Minister of Finance with the approval of the Finance Committee of the Knesset.
- (c) The rate of the royalties shall be 11% of the income said in subsection (b), excluding V.A.T., unless a different rate was set by regulations under subsection (b) for some or all of the services listed therein.
- (d) (Repealed).
- (e) The Minister, with the consent of the Minister of Finance and with the approval of the Finance Committee of the Knesset, may prescribe the obligation and terms for the payment of interest arrears, linkage differentials and collection expenses in respect of royalties that were not paid by a licensee on the date set therefor.

54A. **Application of the Taxes (Collection) Ordinance**

The Taxes (Collection) Ordinance shall apply to the Fees, License Fees and Royalties under this Law, as of they were a tax within its meaning in that ordinance; for this purpose, "Fees", "License Fees" or "Royalties" – fees, license fees or royalties under this Law, with respect to the liability for payment of which written notice has been sent to the debtor, and regarding which the debtor was afforded an opportunity to voice its contentions.

55. (Repealed).

55A. **Application of the Wireless Telegraph Ordinance**

The provisions of the Ordinance shall apply to a license, a Broadcasting Licensee, and any person who received a Type Approval under this Law.

55B. Exemption from licensing under the Electricity Law

Section 6(a) of the Electricity Law, 5714-1954, shall not apply in regard to the conduct of activities with the components of a Public Telecommunication Network, the electric voltage of which does not exceed 65 Volts.

56. Amendment of the Postal Ordinance

In the Postal Ordinance [New Version], 5737-1976 (hereinafter – the Ordinance) –

- (1) In section 1 –
 - (a) the definition "the Director", "Telegraph Company", "Telegraph", "Telegraph System" "Telegraph Facility", "Telegraph Pole" and "Telegraph Clerk" - shall be deleted;
 - (b) after the definition of "Stamp", the following shall be inserted:
"Telecommunication(s)" and "Telecommunications Facility" – as defined in the Telecommunication Law, 5742-1982;" ;
- (2) in every place, "Telegraph" shall be replaced with "Telecommunication"; however, in section 60(a)(1), "in a Telecommunications Facility" shall replace "in Telegraph";
- (3) in every place, "Telegraph Clerk" shall be replaced with "Postal Clerk";
- (4) Article A of Chapter C – is repealed;
- (5) sections 61, 71, 72 and 73 – are repealed;
- (6) in section 77, the words "or a Telegraph Clerk" – shall be deleted;
- (7) sections 97 through 107 – are repealed;
- (8) in section 108 –
 - (a) in subsection (a), the words "telephone booth" - shall be deleted;
 - (b) in subsection (c), the words "Telegraph Pole" - shall be deleted;
- (9) section 116 – is repealed;
- (10) in section 119, paragraph (1) shall be deleted and paragraphs (2) through (5) shall be marked (1) through (4) in sequence;
- (11) in the fourth schedule, section 1, in section 2, the mark "2" and the words "international connection by telephone or telex" and section 3 shall be deleted.

57. **Amendment of the Planning and Building Law**

In the Planning and Building Law, 5725-1965 –

- (1) in section 49(3), ", the telecommunication network" shall be inserted after "electricity network";
- (2) in section 57(5), "a district transport and road network" shall be replaced by "district telecommunication and transport and road networks";
- (3) in section 63(1)(c), "electricity" shall be replaced by "electricity, telecommunication service";
- (4) in section 69(2), "a telephone switch" shall be inserted after "schools".

58. **Amendment of the Settlement of Labor Disputes Law**

In the Settlement of Labor Disputes Law, 5717-1957, in the definition of "Public Service" in section 37A, the following shall be inserted after paragraph (11):

"(12) the operation of a telecommunications facility and a telecommunication service facility."

59. **Implementation and regulations**

The Minister is charged with the implementation of this Law, and he may make regulations for its implementation.

59A. **Committee approval**

Regulations, payments and fees under sections 4A, 4A1(f), 4C and 53A shall be made or determined with the approval of the Economic Affairs Committee of the Knesset.

60. **Effect**

This Law shall go into effect on the date set by the Minister by notice in *Reshumot*; the Minister shall set the said date after the following have been signed with the approval of the Minister of Finance –

- (1) a collective agreement on the rights of the employees in the Company, and on the transfer of the employees from the public service to the service of the Company;
- (2) an agreement said in section 47;

and provided that the said date shall be no later than six months from the date of the signing of the agreements.

CHAPTER L: TRANSITIONAL PROVISIONS

61. **Regulations under the Ordinance**

Regulations made by virtue of the Ordinance in regard to Telecommunication shall remain in effect, *mutatis mutandis* as the case may be, or with changes made by the Minister by regulations under this Law, for twelve months from the commencement of this Law, unless they have been earlier repealed under this Law.

62. **Opening tariffs**

- (a) The tariffs for the Telecommunication Services existing at the commencement of this Law shall remain in effect for as long as they have not been changed under the provisions of this Law.
- (b) The provisions of section 15(d) shall apply to the tariffs said in subsection (a).

63. **Application of stipulation to service recipients**

- (a) The Minister may prescribe by order that stipulations to which what is said in section 42 applies shall be deemed as if they were also stipulated with any person who has begun receiving Telecommunication Services from the State or from the Company prior to the date of publication thereof in *Reshumot*.
- (b) A said order may apply to all or some of the service recipients or to types of services.

64. **Existing licenses**

A license that has been granted under the Ordinance and that has existed immediately before the passage of this Law in the Knesset shall be considered as a Special License granted under this Law.

65. **Publication**

This Law shall be published in *Reshumot* within 30 days after the Knesset adopted it.

Schedule

In this Schedule –

“License” – a license granted under section 4 and a General Permit granted under section 4A1;

“License Provision” – a condition or provision stipulated in a license under this law.

Part A

- (1) it violates a provision under section 4I on offensive sites and content on the internet;
- (2) it violates the provision of section 5A(f) on number portability or a License Provision in this regard;
- (3) it violates a provision under section 5B on blockage of SMS services;
- (4) discontinues, delays, restricts or disconnects a service provided to a subscriber, in violation of provisions under section 12(a) or in violation of a License Provision in this regard;
- (5) it charges a payment from a subscriber or denies him a benefit, because of the cancellation, by the subscriber, of a contractual agreement, in violation of sections 51A or 51D;
- (6) it calls for immediate payment of the balance of a subscriber's payments for Terminal Equipment, because the subscriber has cancelled the contractual agreement, in violation of the provisions of sections 51B or 51E.
- (7) it violates a License Provision on a contractual agreement with a subscriber, the manner of entering into the contract with him and the terms of the contract, including the scope of the contract, the period of commitment, the termination of the contract and documentation;
- (8) it violates a License Provision on a service that it is required to provide to a subscriber, including the manner of provision of the service and the handling of a complaint made with respect to a said service;
- (9) it violates a License Provision on the payment collected from a subscriber for a service, including on proper disclosure in a bill, notification of a change in the charge, and overcharging;
- (10) it violates a License Provision prohibiting the disclosure of lists or documents containing the name or address of the subscriber or any other information pertaining to him, including account details, his Telecommunication Messages and phone call traffic, durations and destinations, to any person who is not the subscriber or anyone empowered by the subscriber for this purpose, except said information disclosed to another person by virtue of any power under law.

Part B

- (1) it fails to provide information or a document which it is required to provide under the provisions of sections 4C1 or 37L(2), fails to submit a report which it is required to submit under section 12(b)(5), or fails to provide information or submit a report which it is required to submit under a License Provision;
- (2) it discontinues, delays or restricts a subscriber's service for telephone calls to emergency hotlines, in violation of the provisions of section 12(a1), or violates a License Provision on providing a subscriber with access to an emergency hotline;

- (3) it causes restriction or blockage in violation of the provisions under section 51C;
- (4) it violates a License Provision on the provision of service under equal and non-discriminatory terms, including the provision of service to anyone that requests it under said terms;
- (5) it violates License provisions on the conditions that it must fulfill in order to provide service to its subscribers, including provisions on the submission and publication of a service dossier, the date on which provision of the service is to commence, and the provision of a service through another on its behalf;
- (6) it violates a License Provision on the quality of the services provided to subscribers, including provisions on the operation of a call center, a hotline for reporting malfunctions and a customer service center, and the handling of public complaints;
- (7) it violates a License provision on providing subscribers with access to international services or subscriber ascription to international services;
- (8) it violates a License Provision on the blocking of access to erotic services;
- (9) it violates a License Provision on a joint basket of services.

Part C

- (1) it violates the provisions of section 4G on conditioning one service on another, or a License provision in this regard, or violates a License Provision prohibiting the conditioning of a service or the grant of a benefit to a subscriber upon the purchase of Terminal Equipment;
- (2) it fails to operate or implement a numbering plan in accordance with the directives of the Minister given under section 5A;
- (3) it violates a provision prescribed under section 12(b)(1) through (40), on the performance of Telecommunication Activities and the provision of Telecommunication Services;
- (4) it violates a provision under sections 15 and 17(b) or (c) on payments for a Telecommunication Service or violates the terms of an alternative payment basket offered under section 15A;
- (5) it violates a License Provision on the use of frequencies allocated thereto;
- (6) violates License Provisions on the prevention of interferences with other Telecommunication and wireless systems operating lawfully;
- (7) it violates License Provisions on security matters, including any provision on the security classification for Officers, the participation of an observer in meetings of the licensee's board of directors, including any board of directors committee, or on the provision of information to a said observer;
- (8) it violates a License Provision or any provision prescribed thereunder on the establishment, installation, maintenance, operation and updating of a Public Telecommunication Network, and the incorporation of modern technological means for the provision of services, including technological requirements and quality of service with respect to the said matters, and provision on the carrying out of inspections, the recording of inspections and malfunctions in the maintenance log and the repair of defects and flaws;
- (9) it violates a License Provision on guarantees or insurance;

- (10) it launches a joint basket of services without the approval of the Director.

Part D

- (1) it transfers or charges one of the License Assets without the approval of the Minister or in violation of its conditions, in violation of the provisions of section 4(d1);
- (2) it violates a provision under section 4(d2)(1) on holding, transferring or acquiring Means of Control in the Licensee or in regard to limitations on and conditions for the appointment of Officers therein, including a License Provision on cross ownership or conflict of interests, a License Provision stipulating a reporting obligation with respect to these matters, and a License Provision on the holding Means of Control in a Licensee by Israeli persons;
- (3) it violates a provision under section 4(d2)(2) or (3) on maintaining a separate accounting system, on maintaining separate corporations for the Licensee and for another for the purpose of the provision of different services, or to the execution of the separation;
- (4) it violates the provision of an order issued with respect to an essential service under section 4D;
- (5) it violates provision under section 5 on interconnection or use;
- (6) it violates a provision under section 5C on the provision of roaming services;
- (7) it violates a directive issued under section 11(b), on acts that it must carry out in order to prevent an impairment to the proper and regular provision of Telecommunication Services or to prevent a significant impairment to competition in the field of Telecommunication, or on acts that it must carry out or acts that it must abstain from carrying out in order to prevent immediate impairment to the proper and regular provision of a Telecommunication Service, or to competition in the field of Telecommunication;
- (8) it violates a directive issued under section 13 in regard to the provision of Services or the performance of Activities for the security forces, or violates a directive issued under sections 13A or 13B, in regard to the performance of Telecommunication Activities and the provision of Telecommunication Services during a state of emergency or in the event of a significant malfunction in or cessation of the provision of Telecommunication Services or Broadcasts, or violates a License Provision on reporting obligations with respect to these matters;
- (9) it violates a License Provision on the requirement to establish, maintain or operate a Public Telecommunication Network nationwide or in a Service Area, or on the obligation to provide Telecommunication Services to any person that requires it, by means thereof;
- (10) it violates a License Provision prohibiting entering into an agreement which is liable to impair or reduce competition in the field of Telecommunication or Broadcasting, including competition in the field of End Equipment;

Part E

- (1) it violates a License Provision that is not enumerated in parts A through D.