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## **EUROPEAN COMMISSION FOR DEMOCRACY THROUGH LAW** (VENICE COMMISSION)

## **GEORGIA**

## LAW ON ELECTRONIC COMMUNICATIONS

## **EXCERPTS**

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#### LAW OF GEORGIA ON ELECTRONIC COMMUNICATIONS

### **Chapter I – General Provisions**

### Article 1 - Scope of the Law

This Law lays down the legal and economic framework for activities carried out through electronic communication networks and associated facilities, the principles for creating and regulating a competitive environment in this field, determines the functions of the national regulatory authority (the Georgian National Communications Commission), and the rights and obligations of natural and legal persons in the process of possessing or using electronic communication networks and facilities, or when providing services via such networks and facilities. Law of Georgia No 1591 of 20 November 2013 – website, 3.12.2013

### Article 2 - Definition of terms used in the Law

The terms used in this Law have the following meanings:

- a) subscriber an end-user who or which is provided with publicly available electronic communication services on the basis of a prior written contract entered into with the provider of electronic communication services:
- b) subscriber's individual access system a technological system, technical facilities and related operational management software resources which ensure the receipt of individual and encrypted digital broadcasting services by subscribers;
- c) local access network operator's wire and cabling (electric wire or optical fibre cable) facilities or wireless (fixed radio frequency or open optical) access technical facilities used for providing electronic communication services in a local service area, in order to convey calls or information signals, or to transmit digital broadcasting signals between the fixed terminal equipment of the end-user and the switching or transmitting station;
- d) local service area a geographical (territorial) segment of a service market where an authorised person provides publicly available electronic communication services to an enduser;
- e) authorisation registration of the activities of a natural or legal person providing public electronic communication networks and facilities and/or electronic communication services, by the Georgian National Communications Commission in accordance with the unified procedure established by this Law;
- f) authorised person any entrepreneurial person, as well as any non-entrepreneurial person registered by the Georgian National Communications Commission and providing electronic communication networks (electronic communication network operator) and/or electronic communication services (provider of electronic communication services). Only in the case provided for by the legislation of Georgia, a legal entity under public law may become an authorised person to exercise the powers directly determined by the legislation of Georgia;
- g) significant joint market power of authorised persons a significant joint market power of two or more authorised persons over a relevant segment of the service market, which is a situation where an analysis conducted by the Georgian National Communications Commission confirms that the situation created in this segment of the market and characteristics of competition allow them to act in concert and obtain a joint non-competitive advantage in the market even when there are no structural or other types of links, including contractual relations, between them;

- h) exhaustible resources a radio frequency spectrum and/or numbering resources;
- i) fee for using exhaustible resources a fee for using a radio frequency spectrum and/or numbering resources a sum payable by the permit seeker of a relevant exhaustible resource, the amount and the rules for payment of the fee are determined on the basis of an auction and/or in accordance with the Provision for Holding an Auction for Using Radio Frequency Spectrum and/or Numbering Resources or the Procedures for Issuance, Usage and Payment of the Numbering Resources approved by resolution of the Commission or another procedure established by this Law;
- j) indirect access access provided by the electronic communication network operator, through the networks of another transit (service) operator, for a user or an interested authorised person to the elements of its network, to their functional resources and free capacities, or to the electronic communication service types rendered (or capable of being rendered) with the use of such elements;
- k) auction in the cases provided for by law, a form of obtaining the right to use a radio frequency spectrum whereby a license is granted to a successful bidder at an auction;
- I) service market conditions a situation created in the market by the interaction of structural and dynamic factors and the demand and supply of specific types of services;
- m) billing information data on services provided to users or on the loading of relevant elements of the operator's network (traffic) and on the amount of the operational resources used during a certain period of time, which are shared between operators or provided to an end-user for payment;
- n) end-user a user who uses or intends to use the services provided through public electronic communication networks and associated facilities for personal use and who does not intend to sell them to another user:
- o) transfer partial or full transfer by a licence holder of the rights and obligations under a licence to use a radio frequency spectrum in its possession, in accordance with the procedures provided for by this Law;
- p) application program interface (API) a software interface connecting consumer resources of the service types made available by a provider of digital broadcasting or electronic communication services and the functional resources of the technical facilities of digital broadcasting;
- q) access making available for use by an electronic communication network operator, under the conditions (including tariffs) determined by such operator, of the relevant elements and technical facilities of its own network, as well as of their available functional resources or capacities, or of the types of electronic communication services provided (or capable of being provided) through them, which includes making available for use:
- q.a) by the electronic communication network operator of the relevant elements of its physical infrastructure and technical facilities:
- q.b) the elements of a local access network and their free resources, including sewage canals and wells, subscriber pairs, masts and poles;
- q.c) the co-location area;

- q.d) the relevant network elements of fixed and mobile communication network operators, their free operational and functional resources and capacities (including resources related to the provision of roaming);
- q.e) a subscriber's individual access system and electronic programme (services) guide;
- q.f) the operational software management resources of electronic communication networks and user information databases, and resources related to the portability (translation) of subscriber numbers;
- q.g) virtual network services;
- q.h) the functional resources and capacities of other relevant elements of an electronic communication network or the types of communication services;
- r) persons interested in access and/or interconnection an authorised person requesting an electronic communication network operator to allow access to the relevant elements of the network and to their functional resources and free capacities and/or to provide electronic communication services;
- s) access and/or interconnection provider an electronic communication network operator that is obliged to provide access to an interested provider to its network, system, network elements, technical facilities, also to their free functional resources and capacities, or to the types of electronic communication services provided (or capable of being provided) through these networks and facilities, and/or to provide interconnection;
- t) access (interconnection) point a point in a co-location area where the responsibility of one operator with respect to the access and/or interconnection ends and that of another provider begins;
- u) access (interconnection) tariff a fee for accessing and/or interconnecting with the network elements of an electronic communication network provider and with its resources and capacities;
- v) economic activity an activity within the meaning of the Tax Code of Georgia:
- w) electronic communication services services provided through public electronic communication networks and facilities and offered by an authorised service provider to an interested operator or user for a certain fee;
- x) electronic communications network a technological system of electronic processing, routing (switching), conveyance and transmission of calls and various information signals, including by wire (including fibre-optic), satellite, radio or optical equipment, and other technological means and operational technical resources including fixed (circuit and packet-switched, including Internet) and mobile communications, digital broadcasting, and terrestrial broadcasting and cable networks. The provision of state defence, security and law enforcement authorities with electronic communication networks implies the existence of special electronic communication networks;
- y) provision of electronic communication networks the installation of networks, technical facilities or appropriate elements of a network, their operational management and maintenance, and conduct of economic activity via such networks, as well as granting access to interested authorised persons to these elements of the network, and to their resources and capacities;

- z) departmental electronic communication network a network created for non-commercial purposes, which is intended for intraindustrial needs and is connected to a public electronic communication network:
- $z^1$ ) electronic communication network operator an authorised person intending to provide or providing public electronic communication networks or relevant network elements, and providing access, for a certain fee, to an interested authorised person to these elements and to their resources and capacities, as well as providing electronic communication services through them to users;
- $z^2$ ) electronic communication service provider an electronic communication network operator or an authorised person allowed to access the relevant elements or resources of its network, who intends to provide or who provides electronic communication services through these elements or resources of the network:
- z³) shared access granting access to two or more authorised persons to separable functional resources or capacities of a specific element of an electronic communication network;
- z<sup>4</sup>) vertically integrated operator an electronic communication network operator which owns and uses a full range of relevant network elements or their functional resources during its activity in the relevant segment of the service market, and which significantly controls the whole process of the provision of specific electronic communication services;
- z<sup>5</sup>) maximum tariff the upper limit defined by decision of the National Communications Commission of Georgia in the cases determined by the legislation on tariffs for accessing the elements of an electronic communication network:
- $z^6$ ) co-location granting access to an interested person to a co-location area of a specific size allocated by an electronic communications network operator, as well as insuring the installation of the person's technical equipment and the conduct of operational services by such person, for the purposes of providing access and/or interconnection to the relevant elements of an electronic communication network:
- $z^7$ ) interface a physical or logical form of interaction of the elements of an electronic communication network, of technical facilities and operational software resources and systems, which is determined by common functional, electrical, optical, constructive and other interoperability characteristics, and by uniform requirements with respect to the protocol;
- z<sup>8</sup>) the Commission the National Communications Commission of Georgia;
- $z^9$ ) preliminary regulation of competition identification by the Commission of an authorised person with significant market power and imposition on it of specific obligations preliminarily determined by this Law;
- z<sup>10</sup>) licence a special authorisation granting a person the right to use a radio frequency spectrum for a specified period of time and under special conditions;
- z<sup>11</sup>) supply-side substitution the possibility of providing interchangeable service types to users by authorised persons in a competitive service market;
- $z^{12}$ ) acquisition of a significant share acquisition by an authorised person of an ownership interest in the share capital of another authorised person that allows significant control over the activity of the latter (controlling interest). The acquisition of a significant share determines the interrelation of the persons;

- z<sup>13</sup>) significant market power a significant market power of an authorised person over a relevant segment of the service market, which is a situation where the analysis conducted by the Commission confirms that an authorised person has no competitors, is protected from significant competition or its competitive position allows it to have unilateral substantial influence over this segment of the market and to limit competition;
- z<sup>14</sup>) relevant segments of a service market service types, including interchangeable service types, identified by taking into account factors such as tariffs, conditions, competition, and demand-side and supply-side substitution;
- z<sup>15</sup>) relevant geographic boundaries of a service market a geographical (territorial) segment with homogeneous competitive conditions;
- z<sup>16</sup>) user a natural or legal person who intends to use or that uses electronic communication services;
- z<sup>17</sup>) terminal equipment of the user technical equipment, mobile or located at a fixed address, intended for a subscriber or end-user to receive electronic communication services; such equipment is not part of the operator's network, but is connected to it
- z<sup>18</sup>) demand-side substitution ability of a user to switch to available substitute services that satisfy his/her requirements with a similar price, quality and volume;
- z<sup>19</sup>) closely related segments of a service market relevant segments of a service market where, due to contractual relationships among one or more authorised persons or due to a structural link among their networks, authorised persons may use, separately or in concert, their significant market power in one market segment in order to obtain or strengthen their significant market power in another segment;
- z<sup>20</sup>) numbering system a defined combination of symbols used in the process of providing electronic communication services for identifying an electronic communication operator's network or terminal equipment of a user;
- $z^{21}$ ) numbering resources a system of symbols existing on the basis of a numbering system, which is used when granting a permit for the use of numbering;
- z<sup>22</sup>) direct access the granting of direct access by an electronic communication network provider to an interested authorised person to the elements of its network, to its functional resources and available capacities;
- $z^{23}$ ) regulatory fee a fee set on the basis of this Law and the Law of Georgia on Broadcasting;
- $z^{24}$ ) subscriber numbering a digital system existing on the basis of a numbering system for identifying terminal equipment of the user;
- z<sup>25</sup>) public electronic communication network a unified system of electronic communication networks, which is intended to provide publicly available unlimited electronic communication service to users;
- $z^{26}$ ) harmful interference interference that endangers the functioning of radio navigation equipment and/or terminal equipment of the user;
- $z^{27}$ ) certificate a document certifying that properly identified equipment or service complies with the defined requirements;

- z<sup>28</sup>) capacity quantitative characteristic of the functional resources of the element of an electronic communication network;
- z<sup>29</sup>) special electronic communication networks networks physically different from a public electronic communication network and created for non-commercial purposes, for state defence, security or law enforcement measures;
- z<sup>30</sup>) specific obligation an obligation imposed by the Commission on an authorised person with significant market power to ensure competitiveness in the relevant segment of the service market;
- z<sup>31</sup>) structural subdivision the functional subdivision of the internal organisational structure of an electronic communication network operator that performs specific work and provides specific electronic communication services according to the activity of the authorised person;
- z<sup>32</sup>) technical facilities equipment and facilities of an electronic communication network used for forming, processing, conveying, transmitting or receiving electronic communication calls and information signals;
- z<sup>33</sup>) technological neutrality principle a principle, according to which, in making regulatory decisions, vital importance is attached to the type of electronic communication services provided to an end-user rather than to the technologies used for providing such services;
- $z^{34}$ ) transit connection (service) operator a person who possesses and performs activities through the elements of transit conveyance or transmission networks and connects different operators' networks functioning in one or several local service areas, or conveys and/or transmits information signals of various electronic communication services or of digital broadcasting;
- $z^{35}$ ) traffic total loading of the network elements and technical facilities of an operator in a specified period of time;
- z³6) interconnection physical and logical linking of electronic communication networks used by one or several electronic communication network providers in order to allow users of one electronic communication network operator to communicate with users of the same or another electronic communication network operator, and/or to access services provided by another electronic communication network operator, and which is carried out through unlimited, mandatory and non-discriminatory mutual access of providers to the appropriate elements of their networks;

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z<sup>37</sup>) (deleted – 28.12.2005, No 2564);
z<sup>38</sup>) (deleted – 28.12.2005, No 2564);
z<sup>39</sup>) (deleted – 28.12.2005, No 2564);
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 $z^{40}$ ) interdependence – special relations between interdependent (affiliated) persons that may have direct influence on the terms of transactions made between them or on their economic outcome. Relations shall be deemed special, in particular, where: the persons are founders (participants) of one and the same enterprise and their total ownership interest is at least 20 percent; one person directly or indirectly participates in the enterprise of another person and such participation interest is at least 20 percent; one person, by virtue of his/her position, is subordinated to another person or where one person is directly or indirectly controlled by another person; the persons concerned are branch enterprises or the persons are directly or indirectly controlled by a third person; the persons jointly control a third person directly or

indirectly; the persons are relatives (for the purposes of this Law, relatives shall be: family members, direct relatives of ascending and descending lines, a stepchild, a sister and a brother, also, stepchildren of parents and children);

- z<sup>41</sup>) interchangeable service types service types functionally similar by nature, quality, price and other characteristics which, in the aggregate, are so similar that a user changes or is ready to switch from one service to another;
- $z^{42}$ ) interoperability mutual compatibility and/or mutual controllability of the interfaces, and of technical, operational and functional characteristics of electronic communication networks;
- z<sup>43</sup>) wide-screen digital television service a television service that consists of programmes produced, edited and presented to users in a wide-screen (16:9) format;
- z<sup>44</sup>) elements of electronic communications network functionally separated (or separable) technical or technological facilities that are part of an electronic communication network, and their operational functional resources and capacities, which, by their characteristics, ensure: conveyance, transmission and routing (switching) of call and information signals; collection of billing information; management and interoperability of the terms and conditions of services provided to an end-user; portability of subscriber numbers; operational, information, ancillary and special services of the operator; synchronisation and signalling of networks; penetration into the call-related databases; multimedia; provision of digital broadcasting; conversion, coding, safety maintenance; paging; television processing of digital data and transmission via the Internet or other protocol, etc.;
- $z^{45}$ ) relevant elements of an electronic communication network network elements or technical facilities directly related to the provision of electronic communication networks or electronic communication services, and their functional resources, including subscriber's individual access system resources related to the provision of digital broadcasting;
- $z^{46}$ ) free element of an electronic communication network an element of an electronic communication network, its functional resources or capacity, which is not loaded and which may be used for providing electronic communication services in compliance with operational requirements:
- z<sup>47</sup>) merger in accordance with the Law of Georgia on Entrepreneurs, a combination of two authorised persons into one enterprise, which is a legal successor of the original authorised persons;
- $z^{48}$ ) digital television equipment terminal equipment of an end-user, connected to or integrated in a television set, and intended for receiving digital and interactive television service;
- z<sup>49</sup>) revocation of a licence declaring as void a decision to issue a licence in accordance with the General Administrative Code of Georgia;
- z<sup>50</sup>) person any entrepreneurial person, as well as any non-entrepreneurial legal person;
- z<sup>51</sup>) line facilities and structures of electronic communication networks physical circuits and line paths of cable, air, radio relay and satellite lines of electronic communication networks, and/or integrated complexes of installations, equipment and structures of their technological system, which are used for conveying and/or transmitting electronic communication calls and information signals;

- $z^{52}$ ) transit of broadcasting an authorised activity where a person transmits, in an unchanged form, a television or radio channel (without making editorial changes in the television or radio programmes) lawfully received from a broadcaster, and delivers it to an end-user through publicly available electronic communication networks and facilities. The transmission in an unchanged form includes the case where, despite the changes in the broadcasting schedule, the Commission considers that the transit of a television or radio channel is essentially performed;
- $z^{53}$ ) subscriber number portability (translation) an option provided to end-users (subscribers) to retain the same subscriber number when switching to another authorised person providing fixed or mobile communication networks and facilities or services;

### z<sup>54</sup>) deleted;

- z<sup>55</sup>) operating asset essential tangible and intangible assets used by an authorised person to provide electronic communication networks and/or electronic communication services, including an electronic communication network, a local access network, ducts, line facilities and structures of electronic communication networks, sewerage canals and wells, masts, poles, also, a licence for using exhaustible resources, which is of essential importance for an authorised person to gain significant market advantage;
- $z^{56}$ ) use of radio frequencies for ancillary technological purposes the use, on the basis of the decision of the Commission, of radio frequencies for ancillary technological purposes in its activities by a person whose activities are not related to the provision of electronic communication networks and facilities and/or to the provision of services through these networks and facilities;

#### z<sup>57</sup>) deleted;

- $z^{58}$ ) digital terrestrial television network an electronic communication network with appropriate elements (including multiplex platforms) that is used for the distribution of digital television broadcasting;
- z<sup>59</sup>) multiplex platform an electronic system combining television programmes and associated data, and other relevant data, in a digital format for distribution through a digital terrestrial television network;
- $z^{60}$ ) specific section of a radio frequency band (radio frequency range) paired or unpaired radio frequency resources allocated/restricted in accordance with norms and parameters harmonised within Europe and/or at the international level and determined by the National Plan for Radio Frequency Distribution;
- $z^{61}$ ) set of specific sections of a radio frequency band with similar characteristics (radio frequency ranges) a set of specific sections of radio frequency band (radio frequency ranges) defined by the Commission, which is used for providing one and the same electronic communication services;
- $z^{62}$ ) maximum amount of radio frequency resources a maximum amount of a set of specific sections of a radio frequency band (radio frequency range) or specific sections of a radio frequency band with similar characteristics (radio frequency ranges) expressed in megahertz or percentage and determined by a decision of the Commission on the announcement of an auction or on the transfer of a licence for the use of exhaustible resources;
- z<sup>63</sup>) technical possibility to obtain information in real time the interception of information and its identification data transmitted via communication networks during the process of

communication or directly after, using stationary, semistationary or non-stationary technical means for obtaining information;

- z<sup>64</sup>) stationary technical possibility to obtain information in real time communication the interception of information and its identification data transmitted via communication networks during the process of communication or directly after, with the pre-determined architecture and established interfaces, by an authorised body by placing/installing relevant hardware and/or software at the network and/or station infrastructure of an electronic communication company;
- $z^{65}$ ) non-stationary technical possibility to obtain information in real time communication the interception of information and its identification data transmitted via communication networks during the process of communication or directly after, by an authorised body, without connecting to the network and/or station infrastructure of an electronic communication company, using special technical means and/or software;
- $z^{66}$ ) lawful interception management system a unity of technical and software decisions which is an intermediary in the architecture of the stationary technical possibility to obtain information in real time between the monitoring system of a law enforcement agency and the infrastructure of a service provider and which ensures technical execution of orders initiated by the monitoring system of an authorised body on the activation and deactivation of the object:
- z<sup>67</sup>) electronic communications company an authorised person whose type of activities and/or services involve the provision of telephone networks and/or internet networks, and/or services:
- $z^{68}$ ) object the object determined by Article 3(31) of the Criminal Procedure Code of Georgia, also the object provided for by Article 2(p) of the Law of Georgia on Counter Intelligence Activities:
- z<sup>69</sup>) electronic communication identification data user identification data; data necessary for tracing and identifying a communication source; data necessary for identifying a communication addressee; data necessary for identifying communication date, time and duration; data necessary for identifying the type of a communication; data necessary for identifying user communication equipment or potential equipment; data necessary for identifying the location of a mobile communication equipment;
- $z^{70}$ ) free-to-air multiplex platform a multiplex platform intended for the installation of terrestrial broadcasters provided for in the Law of Georgia on Broadcasting;
- $z^{71}$ ) high definition format a broadcasting standard determined by the Commission, which is used when determining the procedure for providing access to the free-to-air multiplex platform for broadcasters authorised to provide on-air broadcasting in accordance with the Law of Georgia on Broadcasting.
- z<sup>71</sup>) technical identificator of the object an identificator determined by Article 3(37) of the Criminal Procedure Code of Georgia, also an identificator provided for by Article 2(q) of the Law of Georgia on Counter Intelligence Activities;
- $z^{72}$ ) authorised body Legal Entity under Public Law called Operational and Technical Agency of Georgia;
- z<sup>73</sup>) determination of geolocation in real time the unity of technical and software decisions which provides the possibility to determine:

- a. geolocation of mobile communication equipment initiating notification of the Legal Entity under Public Law called 112 operating under the governance of the Ministry of Internal Affairs of Georgia in real time, automatically and with a maximum possible accuracy;
- b. with the initiation of an order about activating the technical identificator of the mobile communication equipment of the object, its geolocation in real time and with a maximum possible accuracy, for the purpose of carrying out covert investigative actions provided for by the paragraph (c) of the part I of Article 143¹ of the Criminal Procedure Code of Georgia on the electronic surveillance measures provided for by Article 9(3)(c) of the Law of Georgia on Counter Intelligence Activities;
- z<sup>74</sup>) semistationary technical possibility to obtain information in real time communication the interception of information and its identification data transmitted via communication networks during the process of communication or directly after, with the pre-determined architecture and established interfaces, by an authorised body by placing/installing relevant hardware and/or software at the network and/or station infrastructure of an electronic communication company temporarily or permanently;
- $z^{75}$ ) monitoring system of the authorised body a software interface contained in the architecture of the staationary technical possibility to obtain information in real time communication, with the help of which the authorised body initiates the remote activation or deactivation of the technical identificator of the object and which is the last point of obtaining the intercepted information.

z<sup>76</sup>) media literacy – media literacy defined by the Law of Georgia on Broadcasting. Law of Georgia No 2564 of 28 December 2005 – LHG I, No 4, 18.1.2006, Art. 34 Law of Georgia No 3921 of 8 December 2006 – LHG I, No46, 13.1.2006, Art. 310 Law of Georgia No 67 of 27 June 2008 – LHG I, No 12, 14.7.2008, Art. 89 Law of Georgia No 4526 of 8 April 2011 – website, 2.5.2011 Law of Georgia No 5546 of 20 December 2011 – website, 30.12.2011 Law of Georgia No 2039 of 20 February 2014 – website, 27.2.2014 Law of Georgia No 2632 of 1 August 2014 – website, 12.8.2014 Law of Georgia No 2871 of 30 November 2014 – website, 30.11.2014 Law of Georgia No 5021 of 27 April 2016 – website, 13.5.2016 Law of Georgia No 480 of 22 March 2017 – website, 27.3.2017 Law of Georgia No 1929 of 23 December 2017 – website, 11.1.2018 Law of Georgia No 5617 of 19 December 2019 – website, 24.12.2019

Law of Georgia No 6305 of 12 June 2020 – website, 26.6.2020

### Article 3 – Legislation of Georgia in the field of electronic communications

- 1. The basis for the organisation of activities and the regulation of relations in the field of electronic communications of Georgia are the Constitution of Georgia, international agreements and treaties of Georgia, this Law and other normative acts.
- 2. A foreign citizen and legal person, also, a person who is not a citizen of Georgia, shall enjoy the rights and duties determined by this Law for Georgian entrepreneurial persons unless otherwise provided for by the legislation of Georgia.

### Article 4 – Goals and principles of activities in the field of electronic communications

- 1. The goal of the activities in the field of electronic communications is to satisfy the needs of natural and legal persons with respect to electronic communication networks and facilities, and to promote the creation of an information society, including the facilitation of the improvement of the media literacy.
- 2. Activities in the field of electronic communications are carried out in accordance with the following main principles of the state policy in this field:
- a) equality of legal and natural persons in the process of carrying out their activities and using obtained results;
- b) prohibition of monopolistic situations in the activities of electronic communication networks and the liberalisation of the service market:
- c) development of a free enterprise system and competition;
- d) prohibition of granting exclusive powers to authorised persons and of the execution of exclusive contracts in activities related to electronic communication networks;
- e) facilitation of the introduction of modern technologies and management experience, and the attraction and effective use of financial and material resources;
- f) expansion of service types and provision of appropriate quality of technical norms;
- g) protection of legitimate interests of users;
- h) international integration of electronic communication networks;
- i) active international cooperation;
- j) publicity, objectivity, non-discrimination, transparency and technological neutrality in regulatory decision-making by the Commission.
- k) the improvement of the media literacy.

Law of Georgia No 67 of 27 June 2008 – LHG I, No 12, 14.7.2008, Art. 89

Law of Georgia No 1929 of 23 December 2017 - website, 11.1.2018

### Article 5 – Authority regulating activities in the field of electronic communications

Activities in the field of electronic communications shall be regulated by the Commission.

# Article 6 – Determining and directing state policy in the field of electronic communications

- 1. Main directions of state policy in the field of electronic communications, taking into account the proposals of the Ministry of Economy and Sustainable Development of Georgia, shall be developed by the Government of Georgia and submitted to the Parliament of Georgia for approval.
- 2. Main areas of state policy in the field of electronic communications shall be directed by the Prime-Minister of Georgia. The main directions of state policy in the field of electronic communications approved in accordance with the procedure established by the legislation of Georgia shall be implemented by the Government of Georgia within the powers granted by the Constitution of Georgia, this Law and the Law of Georgia on the Structure, Powers and Rules of Procedure of the Government of Georgia.
- 3. In exercising its powers, the Commission shall be guided by the main directions of state policy in the field of electronic communications.
- 4. In accordance with the Law of Georgia on Broadcasting, the Commission shall develop and approve the action plan for facilitation of the improvement of the media literacy.

Law of Georgia No 4319 of 9 March 2011 – website, 22.3.2011

Law of Georgia No 1036 of 6 September 2013 – website, 23.9.2013

Law of Georgia No 1929 of 23 December 2017 – website, 11.1.2018

Article 7 – Management and ownership of special electronic communication networks The right to manage and own special electronic communication networks shall be granted to the bodies determined by a legal act of the Government of Georgia. Their structure and organisational activities shall be determined by the legislation of Georgia. Law of Georgia No 1036 of 6 September 2013 – website, 23.9.2013

# Article 8 – Maintenance of the confidentiality of information in the field of electronic communications

- 1. Information on a user of electronic communication networks, also information transferred by a user via said networks, shall be confidential and its confidentiality shall be guaranteed by the legislation of Georgia.
- 2. All persons employed in the field of electronic communications are obliged to maintain the confidentiality of information referred to in paragraph 1 of this article. Employees and other persons working in the field of electronic communications shall be held liable in accordance with the legislation of Georgia if they reveal such information.
- 3. The obligation of confidentiality of information provided for in paragraph 1 of this article shall not apply to cases where an authorised body carries out covert investigative activities provided for by Article 143¹(1)(a-c) of the Criminal Procedure Code of Georgia, electronic surveillance measures provided for by Article 9(3) of the Law of Georgia on Counter Intelligence Activities and copying of the electronic communication identification data determined by Article 8³ of this Law.
- 4. The electronic communication company is obliged to provide electronic communication identification data to the body carrying out investigative or operative and investigative activities

in accordance with the procedure established by Article 136 of the Criminal Procedure Code of Georgia.

- 5. Information on the content of the communication made by a user via an electronic communication network shall be immediately and automatically destroyed. Said information may become available only to the entity specified in Article 8<sup>1</sup> of this Law in accordance with the procedure established by law.
- 6. The obligation of maintaining the confidentiality of information provided for by paragraph 2 of this Article does not apply to the cases when the State Inspector Service exercises his/her powers (examination, the revision of the application) provided for by the legislation of Georgia.

Law of Georgia No 3619 of 24 September 2010 – LHG I, No 51, 29.9.2010, Article 332

Law of Georgia No 2637 of 1 August 2014 – website, 18.8.2014

Law of Georgia No 2871 of 30 November 2014 – website, 30.11.2014

Law of Georgia No 480 of 22 March 2017 - website, 27.3.2017

Law of Georgia No 3286 of 21 July 2018 – website, 9.8.2018

Law of Georgia No 4241 of 27 December 2018 - website, 29.12.2018

Law of Georgia No 4590 of 8 May 2019 - website, 8.5.2019

# Article 8<sup>1</sup> – Obtaining real time communication by the authorised body using stationary or semistationary technical possibilities

- 1. The authorised body shall have the possibility to obtain real time communication and its identification data transmitted through the infrastructure of an electronic communication company using stationary or semistationary technical possibilities and for this purpose the authorised body shall:
- a) if necessary, place/install lawful interception management system and/or necessary hardware and software related to its function free of charge;
- b) require from the electronic communication company to possess technical stationary possibility to provide real time communication content and its identification data to the authorised body in accordance with the architecture and interface defined by the technical stationary possibility to obtain real time communication.
- 2. After organising technical stationary and semistationary possibilities to obtain real time communication defined in paragraph one of this article, the authorised body shall carry out the measures to obtain real time communication directly, without interference of the electronic communication company and legal participation, in accordance with the procedures established by Article 143³ of the Criminal Procedure Code of Georgia and Articles 12-14 of the Law of Georgia on Counter Intelligence Activities.
- 3. The architecture and interface of the technical stationary possibility to obtain real time communication shall be established by the normative acts of the authorised body.
- 4. The rules for organising and carrying out the interception of the content of the communication transmitted through the electronic communication network and its

identification data using technical semistationary possibility shall be established by the normative acts of the authorised body.

Law of Georgia No 2637 of 1 August 2014 – website, 18.8.2014

Law of Georgia No 2871 of 30 November 2014 – website, 30.11.2014

Law of Georgia No 480 of 22 March 2017 – website, 27.3.2017

# Article 8<sup>2</sup> – Recording instances of data transfer and provision of information to the State Inspector Service

An electronic communications company shall record instances when the identification data of electronic communications are transferred under Articles 112 and 136 of the Criminal Procedure Code of Georgia to relevant state bodies and shall provide the relevant information to the State Inspector Service.

Law of Georgia No 2637 of 1 August 2014 – website, 18.8.2014

Law of Georgia No 2871 of 30 November 2014 – website, 30.11.2014

Law of Georgia No 3286 of 21 July 2018 – website, 9.8.2018

Law of Georgia No 4241 of 27 December 2018 – website, 29.12.2018

Law of Georgia No 4590 of 8 May 2019 - website, 8.5.2019

# Article 8<sup>3</sup> – Copying the databases of the electronic communication identification data by the authorised body

- 1. The authorised body shall be entitled to copy the databases of the electronic communication identification data and store them at the central bank of the electronic communication identification data in accordance with the term established by Article 15(1) of the Law of Georgia on Legal Entity under Public Law called Operative and Technical Agency of Georgia.
- 2. In order to copy the databases of the electronic communication identification data provided for by paragraph one of this article the authorised body shall be entitled to have an access on the relevant databases of the electronic communication company. The technical procedure for copying the databases of the electronic communication identification data shall be established by the normative acts of the authorised body.

Law of Georgia No 2871 of 30 November 2014 – website, 30.11.2014

Law of Georgia No 3929 of 8 July 2015 – website, 15.7.2015

Decision of the Constitutional Court of Georgia No 1/1/625,640 of 14 April 2016 – website, 22.4.2016

Law of Georgia No 480 of 22 March 2017 – website, 27.3.2017

#### Article 8<sup>4</sup> – The system for defining real time geolocation

1. The authorised body is entitled to have the possibility to obtain real time geolocation from the network and station infrastructure of the electronic communication company which provides mobile communication networks and means and/or services and place/install relevant hardware and software on the mentioned infrastructure free of charge. The authorised body shall carry out the further actions to define real time geolocation in accordance with the procedure established by Article 143³ of the Criminal Procedure Code of Georgia and Articles 12-14 of the Law of Georgia on Counter Intelligence Activities.

- 2. The system for defining real time geolocation shall ensure the possibility for defining real time geolocation of the communication equipment initiating notification of Legal Entity under Public Law called Public Safety Management Center 112 operating under the governance of the Ministry of Internal Affairs of Georgia.
- 3. The architecture and interface of the system for defining real time geolocation shall be established by the normative act of the authorised body.

Law of Georgia No 480 of 22 March 2017 - website, 27.3.2017

Law of Georgia No 5617 of 19 December 2019 – website, 24.12.2019

### Article 9 - International cooperation in the field of electronic communications

- 1. International cooperation in the field of electronic communications shall be carried out on the basis of the legislation of Georgia, including international agreements and treaties to which Georgia is a party.
- 2. In its relations with international organisations operating in the field of electronic communications and with the administrations of electronic communications of foreign countries, Georgia shall be represented by the Government of Georgia, as well as by the Commission within the scope of authority delegated by the Government of Georgia.
- 3. In internating associations of national regulatory bodies operating in the field of electronic communications, Georgia shall be represented by the Commission. The Commission shall also retain its right to represent Georgia in those international organisations operating in the field of electronic communications in which it is already a member.
- 4. In relations with the administration of electronic communications of foreign countries and international organisations operating in the field of electronic communications, the Government of Georgia and the Commission shall protect the interests of Georgia.

Georgian Law of Georgia No 1591 of 20 November 2013 – website, 3.12.2013

#### **Chapter II – Commission**

# Article 10 – Status of the Commission; the procedure for its formation and its rules of procedure

- 1. The status of the Commission, the procedure for its formation and its rules of procedure, as well as the rights and obligations of the chairperson of the Commission, the term of office of Commission members, their independence and immunity, grounds for terminating their powers and for their removal from office, the legal acts of the Commission, also circumstances of conflicts of interests of Commission members and of the staff, shall be determined by the Law of Georgia on Broadcasting and the Statutes of the Commission.
- 2. The Statutes of the Commission shall be approved by a resolution of the Commission.

Law of Georgia No 3921 of 8 December 2006 - LHG I, No46, 13.1.2006, Art. 310

## Article 11 – Main goals and functions of the Commission in the field of electronic communications

- 1. In the field of electronic communications, the Commission shall independently regulate the activities of authorised persons and/or the use of the radio frequency spectrum and/or numbering resources, also it shall adopt legal acts, monitor and control their execution, impose sanctions, within the powers determined by this Law, for identified violations in accordance with this Law and the Administrative Offences Code of Georgia.
- 1¹. The legal act of the Commission may be appealed in court in accordance with the procedure established by the legislation of Georgia. Acceptance of the claim by the court shall not lead to the suspension of the legal act of the Commission, unless the court decides otherwise.
- 2. Main objectives of the Commission are to:
- a) create, maintain and develop a competitive environment in the provision of electronic communication networks and facilities and electronic communication services;
- b) ensure the provision of a quality service, a wide range of services and affordable tariffs to end-users (including disabled persons) by authorised persons providing electronic communication services:
- c) promote effective investments in innovative technologies by authorised persons owning electronic communication networks and facilities.
- d) facilitation of the improvement of the media literacy in the society.
- 3. The main functions of the Commission are to:
- a) issue authorisation for activities in the field of electronic communications;
- b) manage exhaustible resources and ensure their effective use, optimally distribute and effectively redistribute a radio frequency spectrum for the purposes of introducing innovative electronic communication technologies and for the purpose of developing a competitive environment, establish transparent and non-discriminatory rules and conditions for obtaining the right to use a radio frequency spectrum and/or numbering resources, also to issue licences/grant permits for the use of exhaustible resources and revoke licences/permits for use;
- c) study and analyse relevant segments of the service market, identify authorised persons with significant market power, impose specific obligations under this Law and monitor and supervise their execution for the purposes of ensuring competition;
- d) ensure the provision of certification, standardisation and metrological services to electronic communication facilities in accordance with regulations on the certification of radio equipment and telecommunication terminal equipment;
- e) regulate access to the elements of an electronic communication network and/or technical, economic and legal relations related to interconnection;
- f) resolve, within its powers, disputes arising between authorised persons operating in the field of electronic communications, also disputes between such authorised persons and users;

- g) supervise compliance with the conditions of authorisation of activities and licencing conditions in the field of electronic communications, also monitor the performance of licence and/or permit conditions and, in case of non-compliance, implement measures prescribed by law:
- h) maintain open, public and transparent relations with the public;
- i) coordinate the electromagnetic compatibility of radio-electronic facilities and measures related to its international legal protection;
- j) represent Georgia in international organisations operating in the field of electronic communications and protect its interests within its powers and the scope of authority delegated by the Government of Georgia;
- k) define procedures for establishing amateur radio communications and for using amateur radio stations;
- I) perform other functions based on this Law and the objectives of the Commission;
- m) resolve, within its powers, disputes arising between licence holders and/or persons who have the right to use radio frequency spectrum and/or numbering resources related to the exercise of the rights granted by the licence and/or permit, in accordance with the procedures established by Chapter VI of this Law;
- n) approve regulations on the portability of subscriber numbers, identify the system administrator of the central database of portability of subscriber numbers through an open competition, enter into an agreement with such system administrator and monitor compliance with the conditions of the agreement;
- o) if a situation in the international and/or a regional market is such that it has significant and non-transitory negative impact on authorised persons operating in the Georgian electronic communications market, determine, before the elimination of such significant and non-transitory impact, appropriate and effective regulations for all relevant authorised persons operating in the field of electronic communications by a justified decision made by way of public administrative proceedings;
- p) monitor the quality of the maintenance of confidentiality of information in the field of electronic communications.
- p¹) control of the observation of the age marking rules for software, films and games placed on-line (in the internet) in order to take measures for preventing children from harmful information on the basis of the Code on the Rights of the Child.
- q) exercise powers to improve and facilitate to the media literacy determined by this Law and the Law of Georgian on Broadcasting.

Law of Georgia No 2564 of 28 December 2005 - LHG I, No 4, 18.1.2006, Art. 34

Law of Georgia No 4526 of 8 April 2011 – website, 2.5.2011

Law of Georgia No 5546 of 20 December 2011 – website, 30.12.2011

Law of Georgia No 2637 of 1 August 2014 – website, 18.8.2014

Law of Georgia No 1929 of 23 December 2017 – website, 11.1.2018

Law of Georgia No 5022 of 20 September 2019 – website, 27.9.2019

Law of Georgia No 5922 of 21 May 2020 – website, 25.5.2020

Law of Georgia No 7065 of 17 July 2020 – website, 17.7.2020

### Article 12 - Budget of the Commission

- 1. By 1 December of each year, the Commission shall prepare and publish the next year's budget that contains all the expenses of the Commission, including the expenses related to the remuneration of the Commission and its staff, as well as revenues.
- 1<sup>1</sup>. The Commission may, after covering the expenses determined by the budget of the Commission, transfer the remaining budget funds (if any) to the State Budget of Georgia.
- 2. The budget of the Commission shall be financed by regulatory fees paid and by other sources of finance provided for in this Law, the Law of Georgia on Broadcasting and the Law of Georgia on Legal Entities under Public Law.
- 3. Regulatory fees shall be one of the primary sources for financing the budget of the Commission; they are related to the exercise of powers granted to the Commission by the legislation of Georgia and shall not be treated as income earned from economic activity. The expenses determined by the budget of the Commission shall be covered from the annual regulatory fees. In the field of electronic communications, the regulatory fee shall be paid by authorised persons, and in the field of broadcasting, by persons determined by the Law of Georgia on Broadcasting.
- 4. The amount of the regulatory fee shall be 0.75 per cent of the total value (excluding VAT) of the regulated products (services) provided and/or of the work performed by an authorised person. Authorised persons shall, on a monthly basis, submit to the Commission information on the estimated regulatory fees and transfer the regulatory fees to the account of the Commission not later than 20th day of the month following the reporting month.
- 5. Fee for using exhaustible resources is a sum payable by a holder of the radio frequency spectrum licence, also any other person to gain the right of using radio frequency spectrum and/or numbering resources. The fee for using radio frequency spectrum is transferred to the budget of the Commission, except for the fee paid for obtaining a licence for using exhaustible resources which is fully transferred to the State Budget of Georgia.
- 6. From payment of the fee for using radio frequency spectrum are exempted:
- a) foreign diplomatic institutions/representations or institutions/representations equal to them which exist on the territory of Georgia when using radio frequency spectrum for their official purposes;
- b) ministries provided for by the Law of Georgia on the Structure, Authority and the Procedure for Activity of the Government of Georgia and/or sub-agencies in the field of their governance.

Law of Georgia No 2564 of 28 December 2005 – LHG I, No 4, 18.1.2006, Art. 34

Law of Georgia No 4867 of 5 June 2007 – LGH I, No 21, 18.6.2007, Art. 182

Law of Georgia No 3450 of 16 July 2010 – LGH I, No 42, 22.7.2010, Art. 269

Law of Georgia No 1929 of 23 December 2017 – website, 11.1.2018

#### **Article 13 – Report of the Commission**

- 1. The commission shall prepare an annual report on its activities and conduct a financial audit of its expenses and accounting statements in accordance with applicable rules. The Parliament of Georgia may decide to perform the audit of the Commission-approved budget which is carried out by an internationally recognised auditor selected in accordance with the Rules of Procedure of the Parliament of Georgia. The Commission shall cover the expenses associated with the activities of the auditor selected for the examination of the financial activities provided for by this article.
- 2. Not later than 1 June of each year, the Commission shall submit to the Parliament of Georgia, to the President of Georgia and to the Government of Georgia, and publish a report on its activities of the previous year and the results of the financial audit.
- 3. The President of Georgia, a Member of Parliament of Georgia and the Government of Georgia may request and obtain, in accordance with the procedure established by the legislation of Georgia, any information on the activities carried out by the Commission.

Law of Georgia No 1036 of 6 September 2013 – website, 23.9.2013

Law of Georgia No 3887 of 6 December 2018 – website 14.12.2018

# Chapter III – Authorisation of activities in the field of electronic communications, and general rights and obligations of authorised persons

# Article 14 – Grounds for carrying out activities in the field of electronic communications

- 1. Activities in the field of electronic communications shall be carried out on the basis of an authorisation granted for these activities.
- 2. The regulation in the field of electronic communications shall be carried out in accordance with the principle of technological neutrality.
- 3. No authorisation of activities shall be necessary if electronic communication networks and facilities are used for:
- a) organising special electronic communication networks;
- b) organising a departmental electronic communications network of an enterprise, institution or organisation that is created for non-commercial purposes, and for providing internal communication in such enterprise, institution or organisation.

Law of Georgia No 67 of 27 June 2008 – LHG I, No 12, 14.7.2008, Art. 89

# Article 15 – Body issuing authorisations for the activities in the field of electronic communications

In the field of electronic communications, activities shall be authorised by the Commission, which, in accordance with the procedure established by this Law shall:

a) authorise persons carrying out activities in the field of electronic communications and maintain a departmental registry of authorised persons;

b) monitor the compliance by authorised persons in the field of electronic communications with the legislation of Georgia, including with the resolutions and decisions of the Commission.

### **Article 16 – Authorisation application**

- 1. A person interested to obtain an authorisation to provide electronic communication networks and facilities and/or electronic communication services, shall apply to the Commission with an application, the form of which shall be approved by the Commission.
- 2. The application shall include:
- a) for an individual entrepreneur name, surname, place and date of birth, data on their registration with the registry of entrepreneurs and non-entrepreneurial (non-commercial) legal persons, and addresses of places of work and residence;
- b) for a legal person trade name, legal form, legal address (domicile), data on its registration with the registry of entrepreneurs and non-entrepreneurial (non-commercial) legal persons, name and surname of the authorised representative;
- b<sup>1</sup>) for a legal entity under public law name, legal address, identification code, name and surname of a representative (a person with representative powers);
- c) types of activity and/or services for which authorisation is requested by an individual entrepreneur or a legal person;
- d) a brief description of the relevant network and/or services.
- 3. In the case of a person determined by paragraph 2(a) and (b) of this article, the application shall be accompanied by an extract from the registry of entrepreneurs and non-entrepreneurial (non-commercial) legal persons, as well as by a copy of the charter of the legal person and a copy of the relevant identification document of the natural person. In the case of a person determined by paragraph 2(b¹) of this article, the application shall be accompanied by the statute of a legal entity under public law, a registration document at the Legal Entity under Public Law called Revenue Service under the governance of the Ministry of Finance of Georgia, with the indication of a corresponding identification code, as well as a document certifying the representative powers of a representative.

Law of Georgia No 2564 of 28 December 2005 - LHG I, No 4, 18.1.2006, Art. 34

Law of Georgia No 1939 of 3 November 2009 – LGH I. No35, 19.11.2009, Art. 257

Law of Georgia No 6305 of 12 June 2020 – website, 26.6.2020

# Chapter IV – Creation of a Competitive Environment in the Field of Electronic Communications

#### Article 20 – Aims of competition regulation and objectives of the Commission

- 1. The aims of competition regulation in the field of electronic communications are to:
- a) ensure equality of authorised persons in the pursuit of their activities, and stimulate effective competition;
- b) stimulate investments in electronic communication networks and facilities, and promote technological innovations;

- c) prevent the excessive concentration of market power in the hands of a few authorised persons;
- d) ensure the existence of a transparent structure for the management of risks related to regulatory decisions made with respect to the activities of authorised persons;
- e) ensure the existence of a transparent, objective and effective regulatory regime regulating the activities, mergers and acquisition of shares by authorised persons having significant market power over the relevant segments of a service market.
- 2. Objectives of the Commission are to:
- a) create conditions contributing to effective competition in the field of electronic communications;
- b) prohibit the discrimination against authorised persons, and ensure their equality; ensure that upon the request of interested authorised persons non-discriminatory access and/or interconnection is provided by the electronic communication network operator to the relevant elements of its own network and to their available functional resources and capacities;
- c) prohibit discrimination against end-users in the provision of electronic communication services, protect their rights, prohibit any subsidies for the provided service types and ensure equal access to publicly available electronic communication networks and electronic communication services:
- d) monitor and control compliance by authorised persons having significant market power with obligations that may be imposed on them to ensure effective competition;
- e) create a transparent, equal and competitive environment when using exhaustible resources.

# Article 21 – Preliminary regulation of competition, and principles of a service market study and analysis

- 1. In the field of electronic communications, the preliminary regulation of competition shall be carried out according to the relevant and closely related segments of the service market determined by the Commission and to the relevant geographic boundaries of the market.
- 2. For the purposes of preliminary regulation, the relevant segments of the service market shall be determined by the Commission according to criteria determining the service types and geographic boundaries of electronic communication services.
- 3. The study and analysis of the service market conducted in a relevant segment of the electronic communications market for the purpose of identifying authorised persons with significant market power shall be conducted by the Commission on the basis of the methodology and procedures for determining market competitiveness and for identifying authorised persons with significant market power; the methodology and procedures shall be approved by a resolution of the Commission.
- 4. In the field of electronic communications, the regulation of activities, the provision of competition in the relevant segments of the service market and the identification of authorised persons with significant market power in these segments in accordance with the primary and secondary criteria shall be carried out by taking account of the principles of objectivity, technological neutrality, functional equivalence (homogeneous use of functional criteria), the minimum required regulation, as well as the principles of the imposition of proportionally balanced specific obligations, the stimulation of effective competition, transparency and non-discrimination.
- 5. In making a decision to conduct a study and analysis of a service market, to identify authorised persons with significant market power, also to impose specific obligations on authorised persons with significant market power, the Commission shall take into account the terms and conditions of international agreements and treaties of Georgia, including the General Agreement of the World Trade Organisation on Trade in Services.

Law of Georgia No 67 of 27 June 2008 - LHG I, No 12, 14.7.2008, Art. 89

# Article 22 – Stages of study and analysis of the service market, and general provisions for determining authorised persons with significant market power

- 1. The study and analysis of the service market shall include the following stages:
- a) determining the relevant and closely related segments of the service market, and appropriate geographic boundaries of the market;
- b) conducting an analysis of the competitiveness of the relevant segments of the service market;
- c) determining authorised persons with significant market power in the relevant segment of the service market:
- d) determining authorised persons with significant market power in the relevant and closely related segments of the service market by taking into account the primary and secondary criteria and imposing specific obligations on them under concrete conditions determined in Chapter V of this Law.
- 2. The procedures relating to the analysis of the service market, also other procedures described in this Chapter, shall be performed in accordance with public administrative proceedings.
- 3. In determining the relevant segments of a service market, the Commission shall take into account the objective criteria that uniformly determine the relevant and closely related segments of the service market.
- 4. In conducting an analysis of the competitiveness of the relevant segments of the service market the Commission shall take into account the following analytical factors:
- a) the conditions prevailing in the relevant and closely related segments of the service market, the concentration level and relative market shares held by authorised persons;
- b) the demand and supply characteristics (flexibility, increase in the demand, etc.) of the service types in the relevant segment of the service market, as well as conditions for demand-side and supply-side substitution;
- c) levels of tariffs set on potentially non-competitive and interchangeable service types, as well as past changes in the tariffs;
- d) financial and economic indicators of authorised persons in the relevant segment of the service market, the degree of their interdependence and opportunities for authorised persons interested in starting activities in this segment, also infrastructural and dynamic factors impeding entry into the market, and relevant investment risks;
- e) the degree and nature of vertical integration of an electronic communication network functioning in the relevant segment of the service market;
- f) (deleted 28.12.2005, No 2564);
- g) other related characteristics determined by a resolution of the Commission.
- 5. The Commission shall make a decision on the commencement of the study and analysis of the service market:
- a) on the basis of a request of an authorised person, provided justification of the non-competitiveness of the relevant segment of the service market and of the need to commence the given study and analysis of the service market, and the Commission agrees with this justification:
- b) upon the request of state bodies that provide justification of a need to commence a study and analysis of the relevant segment of the service market, and if the Commission agrees with this justification;
- c) on its own initiative.
- 6. The Commission may, at its discretion, make a decision to conduct a study and analysis of either the entire service market or its separate segments.
- 7. Competition in the relevant segment of the service market shall be deemed effective if no authorised persons with significant market power carries out its activities in that segment. Competition in the relevant segment of the market shall not be deemed to be effective if one or several authorised persons operating in that segment have joint significant market power. If an authorised person has significant market power in the relevant segment of the market, it shall also be deemed to have significant market power in the closely related segment of the market.

- 8. In the process of the study and analysis of the competitiveness of a relevant segment of the service market, the main criterion for designating a person as having significant market power shall be the relative market share held by the authorised person or by a group of interrelated persons in this segment of the market. The relative market share held by an authorised person in the relevant segment of the market shall be determined by the income received by the person, by the number of end-users or subscribers or by the percentage of the total volume (traffic) of service provided in the specified period, as well as by taking into account the loaded and free capacities or the functional resources of the relevant elements of the network held or owned by the authorised person. Taking into account the characteristics of the relevant segment of the market, the Commission shall, in each specific case, on the basis of the principle of objectivity, make a decision to measure the share held by the authorised person in the relevant segment of the market and to apply the relevant primary criteria.
- 9. If, on the basis of the study and analysis of the relevant segment of the service market, the Commission establishes that one or several authorised persons have joint significant market power, it shall, considering the nature of the significant market power, determine specific obligations to be imposed on such persons in accordance with Chapter V of this Law.
- 10. In accordance with the primary criterion for determining a significant market power in the relevant segment of the service market, an authorised person shall be designated as having significant market power if it holds at least 40 per cent of the market share in the relevant segment of the market.
- 11. Several authorised persons shall be considered as persons having joint significant market power if in the relevant segment of the service market:
- a) the total market share of two authorised persons is at least 60 per cent; at the same time, the market share of each of them must be at least 25 percent;
- b) the total market share of three authorised persons is at least 80 per cent; at the same time, the market share of each of them must be at least 15 percent.
- 12. In designating an authorised person as having significant market power in a relevant segment of the service market and in imposing specific obligations on such person, in addition to the primary criteria, use shall be made of secondary criteria which, in accordance with primary criteria, objectively determines the possibilities of persons with significant market power to restrict competition and carry out noncompetitive actions in the relevant segment of the service market. Secondary criteria shall be determined by the Commission taking into account analytical factors.

Law of Georgia No 2564 of 28 December 2005 – LHG I, No 4, 18.1.2006, Art. 34 Law of Georgia No 67 of 27 June 2008 – LHG I, No 12, 14.7.2008, Art. 89

#### Article 23 – Abusing significant market power

- 1. An authorised person having significant market power in the relevant segment of the service market shall not abuse its significant market power.
- 2. Significant market power shall be considered to be abused if an authorised person does not fulfil the specific obligations determined in Chapter V of this Law and imposed by a decision of the Commission.

#### Article 24 – Publishing information on the analysis of the service market

Decisions of the Commission made on the basis of the analysis of preliminary regulation of competition and the service market specified in this Chapter, except for personal data and the parts containing state or commercial secrets, shall be published on the website of the Commission. The following information shall also be published:

- a) a list of the relevant segments of the service market indicating the criteria determining geographic boundaries and economic indicators;
- b) a list of authorised persons having significant market power in the relevant and closely related segments of the service market;
- c) specific obligations imposed on authorised persons with significant market power and specific conditions of these obligations;

d) description of the primary and secondary criteria by which an authorised person has been designated as having significant market power.

Law of Georgia No 67 of 27 June 2008 – LHG I, No 12, 14.7.2008, Art. 89 Law of Georgia No 6328 of 25 May 2012 – website, 12.6.2012

# Article 25 – Regulation of mergers with an authorised person, as well as of the acquisition of ownership interest, shares and operating assets of an authorised person

- 1. Articles 26 and 27 of this Law shall apply:
- a) if operating assets of an authorised person are purchased;
- b) if two or more persons are combined as a result of a merger and one of them is an authorised person;
- c) if an ownership interest or shares of an authorised person are acquired and as a result of the acquisition, 5 per cent or more, in total, of the ownership interest or shares of the authorised person is transferred into the ownership of the acquiring person and/or interdependent (affiliated) persons.
- 2. Articles 26 and 27 of this Law shall not be applied in the case of acquisition of the ownership interest or shares of an authorised person if the acquirer or the interdependent (affiliated) persons jointly acquire up to 5 per cent of the ownership interest or shares of an authorised person.

Law of Georgia No 4526 of 8 April 2011 – website, 2.5.2011

### Article 26 – Notification obligation and request of information

- 1. A notice of intent to merge, to acquire an ownership interest or shares, or operating assets shall be provided to the Commission before such merger or acquisition.
- 2. The notification obligation shall rest on the authorised person participating in the merger, or whose ownership interest or shares or operating assets are acquired.
- 3. A form of the merger or acquisition shall be indicated in the notification. The notification shall also contain the following information on each authorised person and interdependent (affiliated) persons participating in the merger or acquisition:
- a) trade name, type of activity and registration data;
- b) income from services provided in Georgia and to foreign operators;
- c) (deleted 1.8.2014, No 2632);
- d) in the case of the acquisition of an ownership interest, shares or operating assets of another authorised person, the amount of the ownership interest acquired and the amount of the total interest owned in the relevant segments of a service market;
- e) information on interest-holders or shareholders, on the relations between the authorised person and its interdependent (affiliated) persons, which shall contain data on the possibility of exercising mutual control, and on participatory interest.
- 4. A notification shall not contain incorrect or incomplete information.
- 5. The Commission shall verify the data on the merger or on the acquisition of an ownership interest, shares or operating assets indicated in the notification of an authorised person and the data referred to in paragraph 3 of this article. If a notification of an authorised person does not contain the documents or information required by paragraph 3 of this article, the Commission shall specify additional time for submitting the documents or information; the time limit shall not exceed 15 working days.
- 6. When authorised persons are merged or when they acquire an ownership interest, shares or operating assets, the Commission may, in order to assess the potential restriction on competition, request additional information from the authorised persons on the activities carried out by them in the relevant segment of the service market and on their future plans, as well as additional information on the interest-holders or shareholders, registration numbers, etc.
- 7. The Commission may exercise the powers specified in Article 27 of this Law after it receives a notification of an authorised person on a merger or acquisition.

Law of Georgia No 2564 of 28 December 2005 - LHG I, No 4, 18.1.2006, Art. 34

Law of Georgia No 4526 of 8 April 2011 – website, 2.5.2011 Law of Georgia No 2632 of 1 August 2014 – website, 12.8.2014

# Article 27 – Investigation and subsequent regulation of mergers or of acquisitions of ownership interests, shares or operating assets

- 1. The Commission may, within 15 days after receipt of a complete notification by an authorised person of a merger or acquisition, issue a consent to the merger or acquisition, or decide to commence administrative proceedings to investigate the merger or acquisition to determining its potential impact on competition in the relevant segment of the service market. The duration of administrative proceedings shall not exceed three months;
- 2. The investigation of a merger or acquisition shall be necessary if:
- a) after the merger or acquisition, structures of vertically and horizontally integrated undertakings are created in the relevant segments of the retail market and in the segments of a wholesale market closely related to the retail market, and such structures will be able to obtain significant market advantage in these segments through mutual control, to create barriers to entry and significantly restrict competition;
- b) if one or several undertakings participating in the merger or acquisition is a vertically integrated authorised person having significant market power both in the retail market and closely related wholesale market segments;
- c) if the initiating undertaking participating in the merger or acquisition has significant market advantage in the retail (wholesale) service market segments and the potential merger is conducted with, or significant interest, shares or operating assets are purchased from such an undertaking that has significant market advantage in the closely related upstream (downstream) segments of a wholesale (retail) market.
- 3. A notification and attached documentation shall be confidential until the administrative proceedings to investigate a merger or acquisition are commenced to determine the potential impact on competition in the relevant segment of the market.
- 4. In the case of granting its consent, the Commission may request from the authorised person created as a result of the merger, or from the authorised person acquiring an operating asset, to carry out such activities in the future, as will ensure the maintenance of competition in relevant segments of the service market.
- 5. The Commission may, on the basis of a substantiated decision, request that the conditions of a merger or acquisition be corrected, or it may prohibit the merger or the acquisition of the ownership interest, shares, or operating assets of the authorised person if it considers that the merger or acquisition will significantly distort competition in the relevant segment of the service market
- 6. If competition in the relevant segment of the service market is significantly distorted by an authorised person with significant market power formed as a result of a merger or acquisition effected with the consent of the Commission, the Commission may request from the authorised person formed as a result of the merger, or from an authorised person that has acquired an operating asset, or from an authorised person whose ownership interest or shares have been acquired, to ensure functional separation (separation of functionally separated structural units into a separate legal person/persons).
- 7. Parties to a merger or acquisition may offer their own proposals to the Commission at any stage of the merger or acquisition to avoid significant distortion of competition in the relevant segments of the service market.

Law of Georgia No 4526 of 8 April 2011 - website, 2.5.2011

#### Article 28 – Powers of the Commission to ensure competition

1. If the Commission establishes that the activities of an authorised person do not conform to the provisions of this Law for ensuring competition in the field of electronic communications, or that the authorised person has not fulfilled one or more obligations imposed on it as an authorised person with significant market power in the relevant segment of the service market, or that the authorised person has not fulfilled one or more obligations imposed on it during the

merger or the acquisition of an ownership interest, the Commission may apply the sanctions defined by Chapter VII of this Law.

- 2. The Commission may, in the case of abusing significant market power, impose on the abusing person or prohibit the abusing person from certain activities, and in the case of a failure to fulfil the relevant decisions of the Commission, the latter may use the sanctions defined by Chapter VII of this Law.
- 3. If an authorised person with significant market power does not fulfil the obligations imposed on it, which poses direct risk to the public health and safety or which may create significant electronic or operational problems for other providers or users of electronic communication services, the Commission may ensure their fulfilment by means of direct coercion in accordance with the General Administrative Code of Georgia.
- 4. The burden of proving the existence of the circumstances that objectively determine the nature and the reasons of non-fulfilment of obligations imposed on an authorised person shall be on the authorised person. If objectively substantiated proof is presented, the Commission may amend the conditions of the specific obligations imposed on the authorised person taking into account the nature of the non-fulfilment of these obligations.
- 5. The amendment made under paragraph 4 of this article to specific obligations imposed by the Commission shall not release the authorised person from liability for the non-fulfilment of specific obligations.
- 6. The Commission may select only those objective measures which ensure the most rapid and low-cost elimination of the identified violation and do not cause harm to users and to the relevant authorised person.

### Chapter V – Specific Obligations of Authorised Persons with Significant Market Power

### Article 29 – Specific obligations of authorised persons with significant market power

- 1. The Commission may, by a decision, impose on an authorised person with significant market power in the relevant segment of the service market one or several of the following specific obligations:
- a) obligation to ensure transparency of information;
- b) obligation to prohibit discrimination;
- c) obligation to record expenditure and income separately in accordance with the methodological rules approved by the Commission;
- d) obligation to provide access to relevant elements of an electronic communication network;
- e) obligation to regulate tariffs and prepare cost estimates.
- 2. Fulfilment of the obligations specified in paragraph 1 of this article shall not preclude the fulfilment by the authorised person of other obligations determined by the legislation of Georgia.

#### Article 30 – Imposition of specific obligations

- 1. Specific obligations shall be imposed only on an authorised person with significant market power in the relevant segment of the service market.
- 2. The date of entry into force of specific obligations shall be specified by a decision of the Commission; if the Commission does not specify this date, the authorised person shall begin the performance of imposed obligations from the moment when the decision is made.
- 3. The Commission may set out in detail the specific obligations determined by this Law and conditions for their fulfilment, also make changes and additions to the conditions of specific obligations on the basis of a study and analysis of the service market.
- 4. Specific obligations imposed on an authorised person by the Commission shall correspond to the market power of the authorised person in the relevant segment of the service market and to the nature of the abuse of such power, and shall be proportionally balanced and objectively substantiated.

5. If a study and analysis of the service market reveals that there is no authorised person with significant market power in the relevant segment of the market, the specific obligations shall be annulled and the relevant segment of the market shall be considered to be competitive.

#### Article 31 – Obligation to ensure the transparency of information

- 1. An authorised person with significant market power shall ensure the transparency of information related to access to the relevant elements of its own network and to the provision of interconnection, and shall make public the following information:
- a) financial reporting documents reflecting its activities;
- b) description of the relevant elements, technical facilities, functional resources and interfaces of the network, as well as information on free capacities;
- c) technical characteristics of the network, including the description of used interfaces, of colocation areas and interconnection points;
- d) conditions of access to the relevant elements of the network, to their functional resources and free capacities and the conditions for providing interconnection, taking into account the requirements of authorised persons interested in a relevant segment of the service market;
- e) tariffs of access and interconnection, and payment conditions.
- 2. An authorised person shall publish an offer (invitation offer) to access appropriate elements of its own network and the provision of interconnection, which shall contain detailed information on: the elements of the operator's network, their functional resources and free capacities, as well as on the tariffs for access and interconnection, so that interested authorised persons are not required to pay an additional fee for those elements, technical means or functional resources of the network that the person has not requested.
- 3. In order to ensure the transparency of information, the Commission may determine what essential data are to be included in the information referred to in paragraph 1 of this article and in the offer (invitation offer) concerning access and interconnection of an authorised person with significant market power, also to request that changes or additions be made to the published invitation offer of the operator to ensure conformity with the defined conditions.
- 4. If the Commission imposes an obligation of unlimited access on an authorised person to the relevant local access network, the local service operator shall ensure the publication of an offer (invitation offer) on access and interconnection, which shall contain the conditions of access, including joint access, to the local access network and other essential conditions specified by the Commission.
- 5. Information that is essentially related to the development of a competitive environment in the relevant segment of the service market and to the provision of non-discriminatory free choice to access-seeking persons, and that helps such persons to make a decision on the selection of conditions for electronic communication services, shall not be regarded as a commercial secret of the operator providing access.

## Chapter VII – Liability and Monitoring of Activities in the Electronic Communications Sector

### Article 43 – Monitoring activities in the field of electronic communications

- 1. The Commission shall monitor the activities of authorised persons in the field of electronic communications and their compliance with the requirements and obligations determined in the field of electronic communications by the legislation of Georgia, including by resolutions and decisions of the Commission.
- 2. The Commission shall monitor the compliance of persons carrying out activities through departmental and special electronic communication networks with the requirements and obligations determined in the field of electronic communications by the legislation of Georgia,

including by the resolutions and decisions of the Commission, for the non-performance of which natural and legal persons shall be held liable in accordance with the Administrative Offences Code of Georgia.

- 3. The Commission shall monitor the observance of the conditions of the requirements and obligations determined by the relevant decisions of the Commission and the licence conditions by the persons who possess the permit to use exhaustible resources, including the holders of the licences for using the exhaustible resources. In the case of their violation, the Commission shall apply the sanctions defined in Article 45 of this Law.
- 4. The use of a radio frequency spectrum and/or numbering resources without authorisation, license, or a permit for using exhaustible resources in the field of electronic communications shall be inadmissible and shall create liability as provided for in the Administrative Offences Code of Georgia.
- 5. Where necessary, the Commission may use the administrative powers that are granted under the Administrative Code of Georgia but that are not provided for in this Law.

Law of Georgia No 2564 of 28 December 2005 – LHG I, No 4, 18.1.2006, Article 34

Law of Georgia No 3921 of 8 December 2006 – LHG I, No 46, 13.1.2006, Art. 310

Law of Georgia No 4526 of 8 April 2011 – website, 2.5.2011

Law of Georgia No 5546 of 20 December 2011 – website, 30.12.2011

Law of Georgia No 1929 of 23 December 2017 – website, 11.1.2018

#### **Article 44 – Monitoring and inspection**

- 1. The Commission shall monitor the performance by authorised persons of the requirements and obligations determined by the legislation of Georgia, including the resolutions and decisions of the Commission in the field of electronic communications, in a continuous and systematic manner.
- 2. The Commission shall check the performance of licence conditions by a license holder through a random inspection of licence conditions and/or regular reporting by the license holder. In addition, the Commission may conduct an inspection on the basis of a complaint, ex parte notification, and information from newspapers or other sources.
- 3. When monitoring the performance of the requirements and obligations determined by the legislation of Georgia, including by the resolutions and decisions of the Commission in the field of electronic communications, as well as when checking the licence conditions, the Commission may not inspect the submission of such factual circumstances that are not directly related to the performance by the license holder of the license conditions, or of the requirements and obligations provided for in the legislation, including in the resolutions and decisions of the Commission.
- 4. The Commission shall make a decision on conducting an inspection; the decision shall contain the name of a person authorised to conduct the inspection.
- 5. Before conducting an inspection, the authorised person shall present to the representative of a person to be inspected an identity card and a document certifying his/her authority. He/she shall be authorised to inspect the documents related to the activity of the authorised person on site, make copies of documents, check technical equipment with special equipment,

request the officials and other personnel to provide information, oral and written explanations regarding the issue to be examined.

- 6. A person authorised to conduct an inspection shall prepare an inspection report in the form approved by the Commission, which shall be entered into a register specially maintained for this purpose. An inspection report shall contain: the date, time and place of inspection; the grounds for the inspection; the name of the person(s) present during the inspection from the side of the inspected person; a list of inspected documents if they were inspected on site (if a copy was made, the copy shall be attached to the report); a list of the inspected equipment and their technical parameters; a summary of oral explanations received (if in writing, the written materials shall be attached to the report); comments, if any, of the person authorised to conduct the inspection; other explanations, if any, of the person (his/her representative) being inspected, or in the case of refusal to sign, signatures of at least two attending witnesses.
- 7. If there is sufficient evidence of violations even without an inspection, an administrative proceeding shall be commenced under Article 76(1)(b) of the General Administrative Code of Georgia for the purpose of making a decision to impose liability on the violator, of which the violator shall be notified.
- 8. If, as a result of an inspection, a person authorised to conduct the inspection discovers that an action of the person violating the legislation of Georgia in the field of electronic communications contains elements of crime defined by the Criminal Legislation of Georgia, he/she shall immediately submit the inspection materials to the Commission to take relevant measures.

Law of Georgia No 2564 of 28 December 2005 - LHG I, No 4, 18.1.2006, Art. 34

Law of Georgia No 1929 of 23 December 2017 – website, 11.1.2018

### Article 45 - Liability

- 1. If a person fails to comply with the legislation of Georgia in the field of electronic communications, including with the resolutions and decisions of the Commission and/or if a license holder fails to observe the licence conditions, the Commission may warn the violator in writing, and in the case of failure to eliminate a continuous violation within the time limit specified by the Commission, or in the case of the commission of a new single infringement within a year, the Commission may impose a fine in the amount of 0.5 per cent of the of the last 12 months' income of the authorised person or licence holder (total income without VAT as determined by the Tax Code of Georgia), but the amount shall not be less than GEL 3 000 nor more than GEL 30 000.
- 2. If, after having been fined, an authorised person and/or a license holder carries on a continuous infringement and/or within a year after having been fined, commits a new single infringement, the Commission may impose a fine in the amount of 1 per cent of the last 12 calendar months' income of the authorised person and/or of the license holder, but the fine shall not be less than GEL 9 000 nor more than GEL 90 000, or the Commission shall act under Article 54 of this Law with respect to the license holder.
- 3. If after having been fined for a second time, an authorised person and/or a license holder carries on a continuous infringement and/or after having been fined for the second time, but within a year after the imposition of the first fine, commits a new single infringement, the Commission may impose a fine in the amount of 3 per cent of the last 12 calendar months' income of the authorised person and/or of the license holder for each new subsequent single infringement, and the fine shall not be less than GEL 27 000 nor more than GEL 270 000, or the Commission shall act under Article 54 of this Law with respect to the license holder.

4. The violation of permit conditions by a person who has a right to use exhaustible resources (except for a licence holder or a person who has been granted the right to use exhaustible resources free of charge) shall entail a fine in the amount of GEL1 000, and in the case of a failure to eliminate a continuous infringement within the period specified by a decision of the Commission, or in the case of a new single infringement committed within a year after the imposition of the fine, the Commission may impose a fine in the amount of GEL 3 000 on the permit holder or act in accordance with Article 54 of this Law with respect to such person.

Law of Georgia No 2564 of 28 December 2005 - LHG I, No 4, 18.1.2006, Art. 34

Law of Georgia No 67 of 27 June 2008 – LHG I, No 12, 14.7.2008, Art. 89

Law of Georgia No 4526 of 8 April 2011 – website, 2.5.2011

Law of Georgia No 5546 of 20 December 2011 – website, 30.12.2011

Law of Georgia No 1929 of 23 December 2017 – website, 11.1.2018

#### Article 46 – Administrative proceedings on sanctions

- 1. Decisions of the Commission relating to a warning and fine shall be made in simple administrative proceedings. The person concerned shall be notified in writing of the decision within seven days after the decision is made.
- 2. A fine shall be paid within 30 working days after a decision is made to impose the fine on a violator. The fine shall be transferred to the State Budget of Georgia.
- 3. If a violator does not comply with a decision imposing a fine, the enforcement of the decision shall be ensured by the National Bureau of Enforcement a legal entity under public law under the Ministry of Justice of Georgia, on the basis of a writ of execution issued by the Commission.
- 4. If there are no grounds for a warning or fine, the administrative proceedings shall be immediately terminated.

Law of Georgia No 2564 of 28 December 2005 - LHG I, No 4, 18.1.2006, Art. 34

Law of Georgia No 224 of 15 July 2008 – LHG I, No 17, 28.7.2008, Article 140

### Article 46<sup>1</sup> – Special measures for the execution of the decision of the Commission

- c. 1. The Commission shall be authorised to appoint a special manager in order to enforce the decision made by the Commission due to the violation of the requirement of Article 26 and/or Article 27 of this Law by an authorised person/license holder. A special manager may be appointed only if a fine provided for in Article 45(3) of this Law has already been applied to the authorised person/license holder at least once for the said violation and the execution of the decision of the Commission was not ensured, but the suspension of the authorisation/cancellation of licence may harm the economic interest of the country, legal interests of authorised persons/licence holders in the field of the electronic communication, and the competition on the market.
- d. 2. The special manager shall be appointed by the decision of the Commission.
- e. 3. The decision of the Commission on the appointment of a special manager shall enter into force upon its adoption at the meeting of the Commission.
- f. 4. The decision of the Commission on the appointment of a special manager shall be immediately published on the website of the Legal Entity under Public Law called the

Legislative Herald of Georgia and shall be sent to the Legal Entity under Public Law called the National Agency of Public Registry, and to the authorised person/licence holder. Upon the notification received, and on the basis of the request of a special manager the Legal Entity under Public Law called the National Agency of Public Registry shall update the data on the authorised person/licence holder in the register of entrepreneurs and non-entrepreneurial (non-commercial) legal entities, in which special manager shall be indicated.

- g. 5. A special manager shall be appointed before the execution of the decision of the Commission.
- h. 6. A special manager may be any natural person who does not have a conflict of interest with an authorised person/licence holder and meets the criteria provided for by this article.
- i. 7. For the purposes of this article, a person shall be deemed to have a conflict of interest with an authorised person/licence holder if a person is an employee of an authorised person/licence holder or a legal entity related to it, direct or indirect possessor of holdings/shares, the member of a supervisory board or the board of directors, or there is an interdependence between the person and one of the persons mentioned in this paragraph. For the purposes of this paragraph, an interdependence between persons exists if these persons are interdependent persons determined by Article 19 of the Tax Code of Georgia.
- j. 8. A special manager may be a person with a higher education in finances, economics or business administration, or with a legal education, or other relevant education required to carry out the powers granted to him/her, and needed to perform the functions assigned to him/her.
- k. 9. The remuneration of a special manager shall be determined by the decision of the Commission on the appointment of a special manager.
- I. 10. All expenses related to the remuneration of a special manager, the implementation of the powers granted to him/her by a special manager, as well as the expenses related to the performance of the assigned functions, shall be reimbursed from the budget of an authorised person/licence holder.
- m. 11. The Commission shall, based on the content of the decision to be executed, determine the powers and responsibilities of a special manager, within which a special manager may control the authorised person/licence holder and transfer the powers of all bodies of the authorised person/licence holder (including those of the board of director(s), the supervisory board, the meeting of partners, or the meeting of shareholders) to a special manager, which are necessary for achieving the goals provided for by paragraph 1 of this article (except for the alienation of the holdings/shares of the authorised person/licence holder).
- n. 12. In order to ensure the execution of the decision of the Commission, a special manager shall, within the framework determined by the decision, be authorised to carry out the following actions:
- o. a) appoint and/or dismiss the director(s) of the authorized person/licence holder, the member(s) of the supervisory board (if any);
- p. b) to file a lawsuit in court against an action or transaction carried out by an authorised person/license holder within one year before the appointment of a special manager and request its avoidance if the said action or transaction has harmed or harms the economic interests of the country, the legitimate interests of authorised persons/licence holders in the field of electronic communications, users, or the competitive environment in the market;
- q. c) suspend or restrict the distribution of profits, the payment of dividends and bonuses to the authorised person/licence holder, the increase of salaries;

- r. d) perform other functions of the managing body of the authorised person/licence holder (except for the alienation of the holdings/shares of the authorised person/licence holder).
- s. 13. After the appointment of a special manager, carrying out any action on behalf of an authorised person/licence holder without the consent of a special manager and/or the Commission shall be prohibited.
- t. 14. Any decision/action made by a special manager shall be void if this decision/action is not made/taken within the scope of authority granted by the Commission.
- u. 15. A special manager shall act within the framework of the instructions and directions issued by the legislation of Georgia and the Commission. A special manager shall be accountable only to the commission. A special manager shall submit a report on his/her activities to the Commission on a regular basis and if requested by the Commission in accordance with the procedure, form and time limit established by the Commission.
- v. 16. The Commission shall be authorised to dismiss a special manager at any time on any grounds. In such case, the Commission shall be authorised to reappoint a special manager.
- w. 17. The Commission shall be authorised to determine with its decision that exercising of certain or all powers of a special manager shall require the prior written consent of the Commission.
- x. 18. In the case of the execution of the decision of the Commission and submission of information/documents on the execution to the Commission, a special manager shall be dismissed by the decision of the Commission and the application of the special measures of the execution of the decision of the Commission against the authorised person/licence holder provided for by this article shall be terminated.
- y. 19. Except for the case provided for by paragraph 1 of this article, a special manager may also be appointed if the authorised person/licence holder fails to meet the specific obligations determined by Article 34 and/or Article 35 of this Law for the purpose of the execution of the decision made by the Commission. A special manager may be appointed only if a fine provided for in Article 45(3) of this Law has already been applied to the authorised person/license holder at least once for the said violation and the execution of the decision of the Commission was not ensured, but the suspension of the authorisation/cancellation of licence may harm the economic interest of the country, legal interests of authorised persons/licence holders in the field of the electronic communication, and the competition on the market. In the case provided for by this paragraph, a special manager shall be appointed and his/her powers shall be determined in accordance with Article 22(14) and (16-20) of the Law of Georgia on Licenses and Permits.
- z. 20. A decision made by the Commission in accordance with this article may be appealed in court within 1 month.
- aa. Law of Georgia No 7065 of 17 July 2020 website, 17.7.2020 bb.

### cc. Chapter VIII - Regulating the Use of Exhaustible Resources

#### Article 47 – Radio frequency spectrum

1. The position allocated for Georgia on the geostationary orbit is a property of Georgia. The position allocated for Georgia on the geostationary orbit, also, a radio frequency spectrum used by electronic communication networks and facilities in their activities shall not be subject to transfer to private ownership or for permanent use or privatisation. A radio frequency spectrum and a position of the communication satellite of Georgia on the geostationary orbit shall be protected by the State.