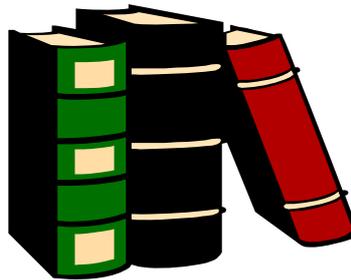




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LAW ON THE PUBLIC BROADCASTING SYSTEM OF BOSNIA AND HERZEGOVINA

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LAW

ON THE PUBLIC BROADCASTING SYSTEM OF BOSNIA AND HERZEGOVINA

Article 1 **(Scope of the Law)**

- (1) This Law shall regulate the Public Broadcasting System of Bosnia and Herzegovina (hereinafter PS Bosnia and Herzegovina) and the relationship among the three public broadcasting services and the Joint Legal Entity within that system, as well as its activities and organization.
- (2) The principles and obligations shall be carried out within the Public Broadcasting System of BiH, as prescribed by this law and by other applicable laws in the area of public broadcasting.

Article 2 **(Definitions)**

For purposes of this Law:

- **advertising** means any public announcement in return for payment or similar consideration or for self-promotional purposes, including sponsorship, which is intended to promote the sale, purchase or rental of a product or service, to advance a cause or idea, or to bring about some other effect desired by the advertiser or the broadcaster itself;
- **net advertising income** means total income made from selling radio, TV and multi – medial advertising, less the agreed commission that belongs to the Corporation within which the sales house exists;
- **public RTV service** means the natural or legal person who has editorial responsibility for the preparation of radio, television or multimedia programme services for reception by the general public or transmission of programme for a third party as defined by the Law,
- **european audiovisual works** means creative works, the production or co-production of which is controlled by European natural or legal persons;
- **sponsorship** means the participation of a natural or legal person, who is not engaged in broadcasting activities or in the production of audiovisual works, in the direct or indirect financing of a programme with a view to promoting the name, trademark, image or activities of that person;
- **transmission** means the initial emission by terrestrial transmitter, by cable, or by satellite, in encoded or un-encoded form, of a radio or television programme service for reception by the general public;

- **virtual advertising** means the use of electronic systems that partially change the television signal by adding an advertisement to the television picture that actually does not exist on the spot from which the signal is being transmitted.
- **re-broadcast** is time delayed broadcast, through terrestrial, cable and satellite transmitter, in encoded or un-encoded form, of a radio or TV service anticipated for the audience
- **tele-shop** means tele-shopping clips selling certain products, providing goods or services, real estate, rights and obligations in return for payment using TV signals.
- **RTV tax** is a tax for the possession of the radio or television receiver in household or by the legal entity
- **System license** - individual licenses of the three public RTV services make up the System License.

Article 3 (General Provisions)

- (1) The Public Broadcasting System in Bosnia and Herzegovina shall consist of:
 - a) Radio – Television of Bosnia and Herzegovina (hereinafter: BHRT) as the public broadcasting service of Bosnia and Herzegovina.
 - b) Radio-Television of the Federation of Bosnia and Herzegovina (hereinafter: RT FBiH), as the public broadcasting service of the Federation of Bosnia and Herzegovina.
 - c) Radio-Television of the Republika Srpska (hereinafter: RT RS), as the public broadcasting service of Republika Srpska,
 - d) Corporation of Public Broadcasting Services of BiH (hereinafter: Corporation).
- (2) Laws on BHRT, RT RS and RT FBiH shall be harmonised with the provisions of this Law.
- (3) The sales turnover of goods and services amongst the members of the System shall be tax-free.

Article 4 (Independence of the Public Broadcasting Services)

The public broadcasting services shall be independent in their operations and shall have editorial independence and institutional autonomy especially in areas such as:

- a) Determining the program schedule
- b) The conception and production of programmes;
- c) Editing and presentation of news and current affairs programmes;
- d) Usage and disposal of assets;
- e) Employment practices and rights and obligations of employees;
- f) Organisation of the activities and internal structure.
- g) Preparation and realization of the budget

- h) Negotiation, preparation and signing of legal documents concerning the functioning of the service
- i) Representing broadcasting services in legal procedures
- j) Purchasing, renting, selling and usage of goods and services

Article 5
(Purpose of the Public Broadcasting Services)

The principal responsibility of the public broadcasting services is to accurately inform the public about political, economic, social, health, cultural, educational, scientific, religious, ecological, sport and other events, support democratic processes, ensure an adequate proportion of impartial news and programmes on current events in prime time and other times, of news, cultural, artistic, educational, children's, sports, and entertainment programming as well as to ensure the highest quality programming is available to the public of Bosnia and Herzegovina, by presenting diverse and factual information.

Article 6
(Relationships within the Public Broadcasting System)

- (1) The relationships between the public broadcasting services shall be regulated by this Law.
- (2) The public broadcasting services shall be obligated to register the Corporation of Public Broadcasting Services on the state level.
- (3) On behalf of all three public broadcasting services, the Corporation of Public Broadcasting Services shall be obliged to do the following:
 - a) To sell television, radio and multimedia advertising;
 - b) To develop and coordinate legal policy and delivery of the legal services to the public broadcasters;
 - c) To promote and coordinate technical development and introducing new technologies;
 - d) To ensure joint utilisation of the technical, financial and human resources;
 - e) To develop strategy for the multimedia services of the public service broadcasters;
 - f) To enable the common use and management of archive materials, in accordance with the programming needs of the public service broadcasters, and the sale of the rights of their use to third parties on behalf of the public broadcasting services. The income made from selling archive materials belongs to public broadcasting services;
 - g) To conduct internal and external communications;
 - h) To acquire foreign programming;
 - i) To maintain international relations;
 - j) To provide administrative and other support for the governing bodies;
 - k) To order audience research and media market research;

- l) To sell TV, radio and multi-medial advertising services;
- m) To coordinate resources for collecting content for news broadcasts, including regional IT centres;
- n) To coordinate the policy and strategy of human resources management of the public broadcasting services;
- o) To coordinate business and development plans, financial operations and internal audit procedures;
- p) To enable the joint annual financial audit;
- r) To provide transmission services for the public broadcasting services.
- s) To coordinate the usage and management of technical resources, property and information technology infrastructure;

**Article 7
(Broadcasting System Board)**

(1) This Law establishes the BiH Broadcasting System Board (hereinafter: the System Board). With an aim to make the functioning of the Public Broadcasting System of BiH more rational and efficient, it promotes and directs the fulfilment of obligations as stated in Article 6 of this Law through the Corporation of Public Broadcasting Services of BiH.

(2) The System Board shall be composed of 12 members. The System Board shall be composed of all members of the public broadcasting services' boards of governors (four members from each public broadcasting service), serving ex-officio.

(3) The System Board shall be chaired by the Chairman of the Board of Governors of the Public Broadcasting Service of BiH.

(4) Public broadcasting services shall provide equal funds to finance the work of the System Board.

**Article 8
(Responsibility of the Broadcasting System Board)**

(1) The System Board shall have the following competencies in respect of the System:

- a) Determine the agreed proposal on the amount of the RTV tax.
- b) Supervise the collection of RTV Tax
- c) Adopts a system wide programme code, including the protection of languages, alphabets, culture and tradition of the peoples and minorities of Bosnia – Herzegovina in accordance with the Constitution of Bosnia – Herzegovina
- d) To coordinate the harmonisation of programming schedules through cooperation between governing bodies and management of public broadcasting services
- e) Co-ordinate between the public broadcasting services within the system
- f) Establish coordination on all other issues from Article 6 of this Law

(2) The System Board shall act as the supervisory board for the Corporation of the public broadcasting services, and shall have the following competencies and duties, among others, in respect of the Joint Legal Entity – Corporation of Public Broadcasting Services of BiH:

- a) To appoint and dismiss the General Director of the Corporation of Broadcasting Services BiH
- b) To approve the appointment of persons directly reporting to the General Director of the Corporation.
- c) To adopt the statute of the Corporation
- d) To approve strategy and policy of operations for the Corporation in accordance with this Law and the System Licence;
- e) To ensure the delivery of the valid license requirements issued by the Communications Regulatory Agency of BiH (hereinafter “Agency”)
- f) To approve expenditure, disposals or investments in accordance with the statute;
- g) To approve the annual financial plan and budget for the Corporation
- h) To adopt reports on the financial operations
- i) To act in the best interests of the Corporation when making decisions as the supervisory body of the Corporation

(3) The System Board can make valid decisions when at least seven (7) members from all three public broadcasting services are present at the session (quorum). The System Board shall make decisions by majority vote of members present. In event of a tie, the vote is going with the chairman of the System Board.

(4) The System Board shall meet at least once a month on a rotating basis as between the seats of the public broadcasting services.

Article 9 (Frequencies)

- (1) The Communications Regulatory Agency of Bosnia and Herzegovina shall assign frequencies to the public broadcasting services, one TV and two radio stations for the whole territory of BiH, two TV stations and two radio stations for territories of respective entities, for the amount determined by the Agency. These assignments must be sufficient to ensure interference-free coverage for as much of the population of Bosnia and Herzegovina for the BHRT programme, as much of the population of the Federation of Bosnia and Herzegovina for the RTV FBiH programme, and as much of the population of Republika Srpska for the RT RS programme as is practically possible.
- (2) The Council of Ministers shall have the right to start the procedure for establishing a new RTV channel within the System after consulting the Agency and the System Board. The Council of Ministers shall consider the initiatives after producing an independent, transparent and comprehensive analysis that covers programme, range, technical, financial and other information that justify the establishment of a new channel.

Article 10 (Licence)

- (1) The Regulatory Agency shall issue licenses allowing public broadcasting services to operate in accordance with this Law. The public broadcasting services shall not operate without being issued the licence by the Agency.
- (2) The Regulatory Agency shall establish separate and complementary licences for the public broadcasting services in accordance with Article 9, which constitute a System licence (hereinafter: for the System the “System Licence”, for individual public broadcasters each a “Licence”).

(3) Subject to any penalties for violation of the terms of its Licence or the System Licence by any of the public broadcasting services, each System Licence shall be issued for a term of five years.

(4) The System Licence shall establish a complementary set of obligations for the three public broadcasting services covering:

- a) The transmission coverage and frequency templates to be used by the public broadcasting service;
- b) The specific programme remits of each service offered by the public broadcasting services that shall be required to deliver the programme principles;
- c) Timetables for required programme plans and other reports and information that the Regulatory Agency may require;
- d) Details of additional Regulatory Agency codes and guidelines that apply specifically to the public broadcasting services;
- e) The System Licence shall also detail penalties for breaches of the System Licence terms and conditions.

Article 11 **(Method of Programme Transmission)**

(1) The public broadcasting services shall have the right to transmit programmes via terrestrial networks, satellites, cable, Internet or other technical means. They may provide teletext services and engage in any new field of broadcasting technology or service in the widest sense of the term.

(2) Regardless of the method of programme transmission, public broadcasting services shall have to ensure that their services are available to their audience, as stipulated in the System License and Article 9 of this Law.

Article 12 **(Corporation of the Public Broadcasting Services of BH)**

(1) The Corporation of Public Broadcasting Services of BiH is a jointly run structure amongst the public broadcasting services with equal rights and obligations towards all three public broadcasting services, BHRT, RTRS and RTV FBH.

(2) The three public broadcasting services shall establish the Corporation by this Law.

(3) The Corporation shall be obliged to introduce new technologies in agreement with all three public broadcasting services.

(4) The Corporation shall have its organizational units in Sarajevo, Banja Luka and Mostar.

Article 13 **(Objectives, Activities, Seat)**

(1) The Corporation of Public Broadcasting Services of BiH shall be established by this Law.

(2) The Corporation of Public Broadcasting Services of BiH is responsible for:

- a) Operation of the transmission network, its management and maintenance,
- b) International representation of broadcasting services,
- c) Foreign programme rights,
- d) Management of property and technical resources in accordance with Article 8 Paragraph 3 of this Law,
- e) Managing advertising – the sales house

- f) Harmonising systems, policies and procedures across the three broadcasters, as defined by Article 6 of this Law.
- (3) The seat of the Corporation shall be at the Seat of BHRT.
- (4) The bodies of the Corporation are the Management Board and the Board of Governors.
- (5) The System Board shall at the same time be the Board of Governors of the Corporation.
- (6) The work of the Corporation shall be managed by the General Director and the directors of the Corporation's sectors. The General Director and the directors of Corporation's sectors shall jointly form the Management Board of the Corporation.

Article 14
(Financing)

- (1) The costs of the Corporation as a legal entity shall be met by broadcasting services based on usage defined by a contract. Public Corporation may generate additional income generated from other sources, such as efficient use of emission infrastructure and its commercial renting, in accordance with the Statute.
- (2) To allow for effective resource planning, the preparation of the annual budget must determine the minimum expected usage by each public broadcasting service of the Public Corporations' resources, equipment and services for the forthcoming year, and the agreed costs thereof, as determined by the General Directors of broadcasting services with the General Director of the Corporation.
- (3) In the event that the public broadcasting services make additional demands on the Corporation then these issues shall be regulated by additional service agreements and at appropriate rates on a monthly basis. The costs of selling advertising shall be met by retaining the fixed percentage of the total income that the sales house within the Corporation makes from advertising for public broadcasting services.
- (4) Once the budget is adopted by the System Board, the public broadcasting services shall each transfer without delay or mediation the agreed monthly contribution to the Corporation.
- (5) The General Director of the Corporation shall prepare a financial plan for the forthcoming year and shall send it to the System Board on 1 November of the current year at the latest.
- (6) The General Director of the Corporation shall send the operations report for the previous year to the System Board not later than 28 February of every year.
- (7) The Corporation shall ensure that total expenditures are covered by the total income in every financial year.

Article 15
(General Director)

- (1) The competencies of the General Director shall be:
- a) To manage the operations of the Corporation
 - b) To be responsible for the legality of operations
 - c) To be responsible for the implementing decisions of the System Board
 - d) To be responsible for the development strategy and business policies

- e) To establish co-operation and co-ordination with the General Directors of the public broadcasting services
- f) To approve expenditures, disposals or investments in accordance with the statute
- g) To conclude agreements and contracts in accordance with the statute
- h) To ensure the development of an annual financial plan and budget in cooperation with the General Directors of the public broadcasting services.
- i) To recruit and to manage the Board of Governors in accordance with the Statute and other by-laws of the Corporation;
- j) To be responsible for the fulfilment of the valid System licence requirements;
- k) To arrange for an annual business audit of the Corporation by an independent auditing institution
- l) General Director shall be appointed by the System Board through the public tender procedure in line with provisions of Article 8 of this Law
- lj) The mandate of the General Director shall be 5 years and may be renewed only once.
- m) General Director shall be a citizen of BiH and shall fulfil the conditions set out by the Statute.
- n) Chairman of the System Board and the director of the Corporation may not be from the same constituent people.
- nj) General Director shall determine the organisation of the Corporation, which shall allow for efficient implementation of the Corporation's mandate and responsibilities as defined by this Law.

(2) The General Director may not perform any executive, legislative or judicial function at any level of authority in the entire territory of Bosnia and Herzegovina and may not own or co-own any company involved with radio or television broadcasting or otherwise engage in any activity which may cause a conflict of interest.

Article 16 (Regulations of the Agency)

The public broadcasting services shall comply with the rules and regulations of the Agency inasmuch as they are not inconsistent with this Law. The public broadcasting services shall be subject to all sanctions available to the Agency for non-compliance therewith, except for suspension and closure. The Agency shall charge adequate compensation for issuing the license from public broadcasting services in accordance with the relevant regulations.

Article 17 (Tax for Receiver Possession)

(1) Each household and each legal entity in the territory of Bosnia and Herzegovina that possesses a radio or television receiver is obliged to pay the monthly radio and television tax for that receiver (hereinafter: RTV tax), under the conditions stipulated by this Law.

(2) Revenue from the RTV tax shall only be used to finance the core activities of the public broadcasting services.

(3) Revenue from the RTV tax shall be tax - free.

Article 18 (Method of Collection)

(1) The method of RTV tax collection shall be determined and established by the System Board.

(2) Organisational units responsible for tax in all three public broadcasting services shall supervise the collection of RTV tax and inform the System Board thereof.

(3) The public broadcasting services may collect the RTV tax through their own services, or assign that task to other legal entities on a contractual basis, (e.g., public companies, agencies, etc.)

(4) BHRT shall collect the RTV tax in the Brcko District of Bosnia and Herzegovina, RT FBH shall collect the RTV tax in the Federation of BiH, and RTRS in Republika Srpska. The collected RTV tax shall be divided in accordance with Article 23 of this Law.

(5) Each public broadcasting service shall be a party to all contracts regarding the collection of RTV tax from Paragraph (3) of this Article.

Article 19 **(Assumption of Possession)**

(1) It shall be assumed that one person in each household and each registered legal entity in Bosnia and Herzegovina is in possession of a radio or television receiver.

(2) The assumption from Paragraph (1) of this Article may be disputed by a written statement by the head of the household, or person authorized to represent the legal entity.

(3) The written statement shall be submitted to public broadcasting services and at the same time it shall represent the agreement to an on-site verification of this claim by an authorized representative of the public broadcasting services. If such verification is not permitted, the written statement shall have no legal effect.

Article 20 **(Number of Receivers)**

(1) All households shall pay the RTV tax for one receiver only, regardless of the total number of receivers in the household. Only one member of the household shall be registered as obliged to pay RTV tax.

(2) All legal entities, except those from Paragraph 3 of this Article, shall be obliged to pay the RTV tax for each receiver in their possession.

(3) Public health institutions, public educational institutions, social welfare institutions, broadcasters, and legal entities dealing with the production, servicing, installation, sales or rental of radio or television receivers shall be obliged to pay only one tax per institution, shop, office or branch office.

Article 21 **(Obligation to Report Possession of Receiver)**

(1) Each household and each legal entity shall be obliged to report to the public broadcasting service the acquisition of a radio or television set within thirty (30) days, if it creates the obligation to pay the RTV tax, as determined by this Law.

(2) Each subscriber is obliged to report to the public broadcasting service any change of address or seat.

(3) The obligation to pay the RTV tax shall start from the first day of the month following the acquisition of a radio or television receiver.

Article 22
(Amount of RTV Tax)

(1) The Agency shall review and propose the amount of the RTV Tax to the Parliamentary Assembly of Bosnia and Herzegovina at least six months prior to the expiry date of the current System Licence. The Agency shall not review the amount of the RTV Tax more than once every five years, unless the System Board raises the matter of the RTV Tax in accordance with Paragraph 3 of this Article.

(2) The Parliamentary Assembly of Bosnia and Herzegovina shall decide on the amount of the RTV Tax within 30 days of the presentation of the Agency proposal. RTV Tax rate from the previous year will continue to apply until the new decision on the amount of RTV Tax enters into force.

(3) The System Board may submit to the Agency a new proposed amount of the future RTV tax. Such a proposal may be submitted once every 5 years, unless there is an extraordinary situation that puts in question the functioning of the System.

(4) The amount of RTV tax shall be adjusted according to the official inflation rate in Bosnia – Herzegovina every year.

Article 23
(Distribution of RTV Tax)

(1) The RTV Tax shall be collected within Bosnia and Herzegovina at the level of the entities and the Brcko District, but shall be held in a designated single account.

(2) All net income from the sale of Advertising shall also be held in the single account.

(3) The System Board members shall be the trustees and executors of the designated single account and shall be responsible for overseeing the collection process.

(4) (25%) of the net income from the sale of Advertising and (25%) percent of the total RTV Tax collected in the territory of Bosnia and Herzegovina shall belong to RTV FBiH.

(5) (25%) of the net income from the sale of Advertising and (25%) percent of the total RTV Tax collected in the territory of Bosnia and Herzegovina shall belong to RTRS.

(6) (50%) of the net income from the sale of Advertising and (50%) of the total RTV Tax collected in the territory of Bosnia and Herzegovina shall belong to BHRT.

(7) These distribution ratios shall apply irrespective of the method of collection.

(8) The organisations collecting the RTV Tax and selling Advertising on behalf of the public service broadcasters shall be obliged to pay the collected amount to the designated single account without delay.

(9) The distribution of funds to the public broadcasting services from the single account shall be done immediately.

Article 24
(Audit of Collection)

(1) Each public broadcasting service must be allowed to directly inspect the collection and distribution of the RTV tax at any time.

(2) An annual audit of the RTV tax collection by an independent audit institution is obligatory and it shall determine the amount and percentage of the collected RTV tax, as well as the regularity of distribution of the collected revenue.

Article 25
(Valid Document)

Accounts or excerpts from finance books of the public broadcasting services related to RTV tax represent a valid document in terms of the Law on Executive Proceedings.

Article 26
(Programming Principles)

(1) The public broadcasting services' programming shall serve the public interest and shall be in accordance with professional standards and the rules and regulations of the Agency. The public broadcasting services shall be obliged to ensure diverse and balanced radio and television programmes that meet high standards of ethics and quality, that show respect for human life, dignity and the physical integrity of persons, and that foster democratic freedoms, social justice and international understanding and peace.

(2) The public broadcasting services' programming shall include information, culture, education, entertainment and sports.

(3) The programmes of the public broadcasting services shall recognize ethnic, regional, traditional, religious, cultural, linguistic and other specific features of the constituent peoples and all citizens of Bosnia and Herzegovina. The programmes of the public broadcasting services shall also affirm cultural and other needs of national minorities in Bosnia and Herzegovina.

(4) The programmes of the public broadcasting services shall recognize the rights of the constituent peoples and Others and shall be equally edited in the three official languages and two alphabets.

(5) In the production of their own programs and programs made in co-production, the public broadcasting services shall ensure equal representation of the content that matches the traditional heritage and culture of all three peoples and equal representation of Others.

(6) The public broadcasting services shall produce and edit programmes in accordance with the highest professional criteria and with respect for artistic and creative licence, independent of the opinions of governmental bodies, political parties and other interest groups.

(7) The public broadcasting services shall have the right to broadcast sessions or parts of sessions of the parliaments in accordance with its editorial guidelines. The public broadcasting services shall have the obligation to inform the public on parliamentary activities in another suitable manner. For that purpose, the public broadcasting services shall have free access to the parliamentary sessions.

(8) The public broadcasting services shall be obliged to present their annual programme plans and reports on the realisation of such plans to the parliaments and the public. Everyone shall

have the right to submit to the public broadcasting services their objections and suggestions related thereto.

(9) Once a year the public broadcasting services shall submit their activity reports to the Parliamentary Assembly of BiH, the Parliament of the FBH and the RS National Assembly, including financial reports together with the report on the audit of their financial operations.

Article 27 **(Realisation of Programming Principles)**

(1) In the realisation of fundamental programming principles, the public broadcasting services shall in particular do as follows:

- a) Inform the public in a truthful, complete, impartial and timely manner of political, economic, educational, scientific, religious, cultural, sport and other events in the country and abroad;
- b) Ensure an open and free discussion on issues of public interest, taking into account universality of appeal;
- c) Respect and promote pluralism of political, religious and other ideas;
- d) Treat impartially all political, economic, educational, scientific, religious, cultural and other issues in order to enable equal presentation of different viewpoints with a view to fostering democratic spirit, mutual understanding and tolerance;
- e) Foster and develop all forms of creative capacities that contribute to the development of culture, art and entertainment.
- f) Contribute to the respect for and promotion of basic human rights and freedoms, democratic values and institutions, and improvement of the public dialogue culture.
- g) Respect privacy, dignity, reputation and honour of a human being and basic right of others, especially children and youth.
- h) The public broadcasting services shall be obliged to make news, culture, education and entertainment programme available to hearing-impaired persons and other persons with special needs.

(2) News shall be unbiased, independent and correct. Before dissemination, information material comprising the news must be examined with reasonable care, depending on the circumstances, as to its content, origin and truth. Comments shall be clearly distinguished from the news.

Article 28 **(Programming Restrictions)**

(1) The programming restrictions are:

- a) To incite and spread ethnic, racial or religious hatred and intolerance, anti-Semitism and xenophobia, as well as to incite discrimination and hostility against individuals or groups because of their origin, colour, political beliefs, religion, health condition, gender, sexual and other orientation and characteristics.
- b) To broadcast reports of immoral content
- c) To broadcast pornography
- d) To in any way incite and extol violence and crime, and encourage citizens, especially children and youth to consume tobacco products, alcohol or drugs
- e) To use some technical means to transfer certain messages or make influence on viewers/listeners without their knowledge and without them being aware of it.
- f) Programmes which obviously damage physical, mental or moral development of children and youth shall not be aired at a time when they would probably watch them given the time they are broadcast. The broadcasting of such content shall have to be signalled with a clear warning. It shall be forbidden to broadcast programmes that

may seriously put at stake physical, mental or moral development of under aged persons, especially programmes which contain pornography and unnecessary violence.

(2) The public broadcasting services shall not violate general cultural standards of decency and civility in the programme content and scheduling, taking particular care to protect the psychophysical development of children.

(3) The public broadcasting services shall not broadcast any material they know to be false or by prudent and routine inquiry they could determine to be false, or if reasonable grounds exist to assume that it is false.

Article 29 (Programme Quantity)

(1) Wherever possible and using appropriate funds, the public broadcasting services shall ensure that the stations broadcast European audiovisual works in their programmes most of the time, exclusive of broadcast time for news, sporting events, entertainment, advertising and teletext services and teleshopping.

(2) The public broadcasting services shall reserve at least forty percent (40%) of their broadcast time for domestically produced programmes across all genres, exclusive of news and sports programmes.

(3) The public broadcasting services must commission programmes from independent producers and/or commercial broadcasters to fill at least ten percent (10%) of their broadcast time, exclusive of news, sports programmes and commercials.

(4) The public broadcasting services shall be obliged to achieve the percentage from Paragraphs (2) and (3) of this Article within two (2) years of the date this Law comes into force.

(5) The production of programs across all genres for BHRT Service shall be equally shared between the three organizational units.

Article 30 (Advertising Principles)

(1) Commercials shall be clearly identifiable as such and clearly separated from other programmes by visual and acoustic means.

(2) The person or organisation placing an advertisement may not influence the programme concept, content or editorial policy of the public broadcasting service.

(3) The public broadcasting services shall be entitled to refuse to broadcast an advertisement the contents of which are in contravention of programming principles defined herein or other rules and regulations governing public advertising.

(4) Persons regularly presenting news and current affairs programmes may not participate in the process of preparation, production or broadcast of advertisements.

(5) Indirect and subliminal advertising shall not be allowed.

(6) Television advertising and teleshopping shall not:

- a) damage the respect for human dignity
- b) contain discrimination based on race, sex and ethnicity
- c) be offensive to religion and political beliefs
- d) encourage actions that may put at stake health and security
- e) encourage actions that may put at stake environmental protection

(7) TV advertising shall not cause moral and physical damage for under aged persons, and shall not directly encourage under aged persons to buy products and services abusing their inexperience and credulity.

(8) TV advertising and teleshopping of alcoholic drinks must not be directed to under aged persons, and it must not create the impression that their consumption improves physical activities, contributes to social and sexual success or to solving personal problems, or that it has curable effect.

Article31 (Quantity of Advertising)

(1) The quantity of advertising and other paid messages and the prime-time redistribution thereof, may not exceed the amount determined by the Agency Council.

(2) The prime-time broadcast period for the public broadcasting services is the period from 17:30 to 22:30 hours.

(3) The Agency shall determine according to its mandate the amount of advertising and shall ensure the adequate treatment of all the license users within the overall broadcast sector.

(4) The Agency Council shall determine the maximum and minimum quantity of advertising and teleshopping to be broadcast per day in accordance with European standards, taking into account the competitiveness (financial sustainability) of the public broadcasting services in the market.

Article 32 (Advertising in Election Campaigns)

(1) The broadcasting of propaganda messages of political parties and candidates shall not be allowed, except during official election campaigns, in accordance with the Election Law of Bosnia and Herzegovina and pursuant to the rules and regulations of the Election Commission of Bosnia and Herzegovina.

(2) During the election campaign the public broadcasting services shall be obliged to allow political parties and candidates to present their election programmes under equal terms. Radio and television must allocate a portion of their programming schedule for the presentation of candidates, political parties and their programmes free of charge.

Article 33 (Virtual Advertising)

(1) Virtual advertising shall be allowed if the organiser of an event has given his prior consent and if TV viewers have been notified about virtual advertising in the specific case.

(2) A virtual advertisement may be inserted only in places usually used for advertising but may not be more prominent than other advertisements in such places, and may not appear on persons or their clothes or equipment.

Article 34
(Sponsorship)

- (1) Sponsorship of news and current affairs programmes shall not be allowed.
- (2) All sponsored programmes must be clearly distinguished as such.
- (3) Any influence of a sponsor on the contents of a programme shall not be allowed.
- (4) The Agency may prohibit broadcast of sponsored programmes by the Public broadcasting services if they do not meet the rules and regulations from the License.
- (5) Public broadcasting services may not accept sponsorship of programs by companies producing or selling cigarettes and other tobacco products.
- (6) Public broadcasting services may not accept programme sponsorship by companies producing or selling medical products or treatment items, but may promote the name or the image of the company, without promoting specific traits of medical products or treatments that are available only on prescription.

Article 35
(Protection of Intellectual Property)

The public broadcasting services shall be obliged to ensure full implementation of the laws governing the protection of copy and related rights and intellectual property, in accordance with the highest international standards. Public broadcasting services shall be obliged to determine the annual budget for the purpose of copyright and associated rights.

Article 36
(Broadcast for Third Parties)

- (1) The public broadcasting services shall transmit, without delay and free of charge, information from bodies of authority, the announcement of which requires urgency such as information regarding danger to life and health, the endangerment of property, security or public peace and order.
- (2) The public broadcasting services shall not be responsible for the contents of the information described in Paragraph (1) of this Article.
- (3) Details regarding broadcasts for other third parties shall be regulated by the statutes of the public broadcasting services.

Article 37
(Right of Reply)

- (1) Any person whose legal rights are affected, whose honour and reputation are harmed by a statement of fact broadcast by any of the public broadcasting services shall be entitled to give a reply, within fifteen (15) days of the broadcasted statement.
- (2) Replies shall be submitted to the relevant public broadcasting service in written form and reduced to facts. Each reply must be signed by the party concerned or by his or her representative.

(3) The public broadcasting services have the right to remove any defamatory or criminal content from the reply, complying with the content thereof, as well as to shorten it or refuse to broadcast it if it is unrelated to the broadcasted statement.

(4) If the reply is related to the daily news programme, the public broadcasting services shall be obliged to broadcast it, free of charge, not later than three (3) days from the receipt thereof, in the manner and at the time when the information to which the reply refers was broadcast. If the reply is related to periodic programming it must be broadcast free of charge, in the first following programme.

(5) If a public broadcasting service fails to broadcast the reply or fails to do it in an appropriate manner, the person described in Paragraph (1) of this Article shall be entitled to file a complaint with the Board of Governors of the relevant public broadcasting service within eight (8) days of the date when the deadline to broadcast the reply expired.

(6) If the person who filed a complaint is not satisfied with a decision of the Board of Governors, he/she shall be entitled to request court protection in civil proceedings within fifteen (15) days of the date of receipt of a written decision, or within thirty (30) days of the date when the complaint was filed, if no decision was taken or if it was not delivered to him/her.

(7) Any of the public broadcasting services may refuse to broadcast the reply if the person concerned has no legal interest in its dissemination or if the request for a reply was not submitted promptly.

(8) The Public broadcasting services shall have the right to refuse to broadcast a complaint if the reply is longer than original material, when is not related to the original material and when it is unlawful to the protected third party.

(9) Right of reply shall be available only in such cases of violated rights of individuals including those from the Defamation Law.

Article 38 (Corrections)

The procedures laid down with regard to the Right of Reply shall be applied to requests for the correction of false statements of fact.

Article 39 (Obligation to Preserve Recordings)

(1) The public broadcasting services shall be obliged to organise the preservation and processing of all audio and visual recordings used in programmes.

(2) Recordings of all broadcasts must be preserved for not less than six (6) weeks from the date of their transmission.

(3) If requested by the Agency, or if court proceedings or any other dispute has been initiated, the public broadcasting services shall be obliged to preserve the relevant recordings for the requested period of time, that is until the adoption of a final decision.

Article 40 (Confidentiality of Sources)

(1) The confidentiality of sources of information shall be guaranteed.

(2) Disclosure of a source of information and discovered facts can be required from a journalist only by the court, when it is necessary to prevent serious crimes.

Article 41
(Access to and Broadcast of Events)

(1) The public broadcasting services shall have access to public cultural, sporting and other events for the purpose of informing the widest public. The duration of reports transmitted without any payment shall not exceed the duration necessary to inform about the event in terms of news.

(2) In their regularly scheduled news programmes, the public broadcasting services shall be entitled to quote, free of charge, from transmissions of other broadcasters of events mentioned in Paragraph (1) of this Article. Duration of the quote shall not exceed ninety (90) seconds and the source of the quote shall be duly indicated.

(3) In relation to the programming of public broadcasting services, all broadcasters shall have the right mentioned in Paragraph (2) of this Article under the same conditions.

Article 42
(Transitional Provisions)

(1) The constituting session of the System Board shall be called within 15 days from the appointment of the sufficient number of members of the Board of Governors of broadcasting services in order to form the quorum of the System Board. The current Boards of Governors shall exercise their duties until the establishment of the System Board and individual Boards of public broadcasting services.

(2) The Statute of the Corporation shall be approved by the System Board within 30 days from the constituting session.

(3) The Corporation shall be registered in accordance with the Law on Registration of Legal Entities Established by the Institutions of BiH (Law on Registration "Official Gazette of BiH 37/03) within 45 days from the constituting session.

(4) During the period of the first System License, the telecom operators shall be collecting the RTV tax.

(5) When collecting RTV tax, Telecom operators shall make the same efforts as when collecting their own claims.

(6) After the establishing of the Corporation, all positions shall be opened and shall be filled in a fair and transparent recruitment process by way of public announcements in all three public broadcasting services.

All candidates selected for the new positions must meet the criteria referred to in terms of references adopted by the System Board of the PBS of Bosnia and Herzegovina.

General labour regulations and the Statute shall be applied to the legal position of the employees of the Corporation, conditions for signing employment contracts, salaries and other allowances.

(7) For the duration of the first License, the public broadcasting services and the Corporation shall pay all their arrears, including unpaid salaries, taxes, employment contributions and all other arrears for commercial and other loans, as well as those to their suppliers.

(8) The formula for the distribution of income from advertising and RTV tax as stipulated in Article 23 of this Law shall start being applied on the first day of the month that comes after this Law enters into force.

Article 43 **(Penalty Provisions)**

- (1) A natural person who does not meet the obligations stipulated in Paragraphs 1 and 2 of Article 21 of this Law or who provides a false statement while exercising his/her right from Article 19 Paragraph 2 of this Law shall be fined from KM 100 to KM 300.
- (2) A legal person which does not meet the obligations stipulated in Paragraphs 1 and 2 of Article 21 of this Law or provides a false statement while exercising the right from Article 19 Paragraph 2 of this Law shall be fined from KM 1000 to KM 3000, and the responsible person in that legal entity shall be fined from KM 200 to KM 500.
- (3) A natural person who fails to perform the payment obligation described in Article 20 Paragraph 1 of this Law shall be fined from KM 100 to KM 300 in minor offence proceedings.
- (4) A legal entity that fails to perform the payment obligation described in Article 20 Paragraph 2 of this Law shall be fined from KM 1000 to KM 3000 in minor offence proceedings, and the responsible person in that legal entity shall be fined from KM 200 to KM 5000.

Article 44

Respective state and entity laws and regulations related to the Public Broadcasting System and the Public Broadcasting Services of Bosnia and Herzegovina shall be harmonised with the provisions of this Law within 60 days of entry into force of this Law.

Article 45 **(Entry Into Force and Publication)**

This Law shall enter into force on the eighth day following its publication in the “Official Gazette of Bosnia and Herzegovina”, and shall also be published in the Official Gazettes of the Entities and the Brcko District.