

Telecoms and Media

Contributing editors

Laurent Garzaniti and Natasha Good



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GETTING THE
DEAL THROUGH

GETTING THE
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Telecoms and Media 2016

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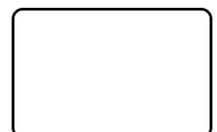


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Communications policy

1 Regulatory and institutional structure

Summarise the regulatory framework for the communications sector. Do any foreign ownership restrictions apply to communications services?

The fundamental law for the electronic communications sector is the Electronic Communications Law, approved by Law No. 5/2004, of 10 February (as amended). This law transposes into national legislation Directives 2002/19/EC, 2002/20/EC, 2002/21/EC and 2002/22/EC, all of the European Parliament and of the Council, of 7 March 2002, and Directive 2002/77/EC of the Council, of 16 September.

The most relevant amendment was approved, with republication of the entire body of the law, by Law No. 51/2011, of 13 September, in order to transpose the 2009 EU Regulatory Framework for Electronic Communications (the 2009 EU Regulatory Framework). The current version of Law No. 51/2011 results from the following amendments: Law No. 10/2013, of 28 January; Law No. 42/2013, of 3 July; Decree-Law No. 35/2014, of 7 March; Law No. 82-B/2014, of 31 December; and Law No. 127/2015, of 3 September.

However, the Electronic Communications Law is not the only key law in this sector. Several aspects are regulated in separate legal instruments:

- Decree-Law No. 123/2009, of 21 May (as amended and republished by Law No. 47/2013, of 10 July) governs the regime that applies to the construction of infrastructure suitable for the accommodation of electronic communications networks, to the set-up of electronic communications networks and the construction of infrastructure for telecommunications in housing developments, urban settlements and concentrations of buildings.
- The regime applicable to radio communications networks and stations is established in Decree-Law No. 151-A/2000, of 20 July (as amended).
- The regime of essential public services and the means of user protection is regulated under Law No. 23/96, of 26 July (as amended).
- The regime governing the free circulation, insertion in the market and setting into service of radio equipment and telecommunications terminal equipment, as well as the regime governing the respective assessment of conformity and marking procedures were approved by Decree-Law No. 192/2000, of 18 August.
- Law No. 99/2009, of 4 November (as amended by Law No. 46/2011, of 24 April) determines the legal framework applicable to administrative offences committed within the communications sector, including infringement of legal and regulatory provisions.

The Electronic Communications Law further assigned ANACOM as the national regulatory authority.

Nowadays there are no restrictions on foreign ownership or investment in the electronic communications sector in Portugal.

2 Authorisation/licensing regime

Describe the authorisation or licensing regime.

The provision of electronic communications networks and services, whether publicly available or not, is only subject to a general authorisation. This regime determines that the execution of activities in the electronic communications sector does not depend on any prior decision or authorisation by ANACOM, but is subject to a mere declaration of commencement of activity signed by the provider.

Nevertheless, the use of spectrum frequencies and number allocation depends on the attribution of individual rights of use, which shall be conducted by ANACOM.

The attribution of spectrum frequencies depends on the type of frequency and can be performed through procedures of direct acquisition, public tender and auction. All frequencies and their respective types are listed in the National Frequency Allocation Board (QNAF).

The right to use the frequency is granted for a 15-year period, renewable for an equal period of time. The payable fees depend on the form of attribution.

Regarding mobile networks, 2G (GSM) and 3G (UMTS) were granted by means of tender offer and 4G (LTE) was granted by auction.

The individual right of use of numbers is granted on a direct basis and the payable fees are determined by ANACOM. The allocation to operators is executed upon request or public tender or auction (applicable only if the relevant number is of exceptional economic value).

Regarding the applicable fees for the authorisation/licensing process, Administrative Rule No. 1473-B/2008, of 17 December (amended and republished by Administrative Rule No. 296-A/2013, of 2 October and Administrative Rule No. 378-D/2013, of 31 December) approves the value of each payable fee. Fees are due in respect of:

- the issuance by ANACOM of statements supporting rights (issued after the receipt of the declaration of commencement of activity);
- the exercise of the activity by a supplier of electronic communications networks and services (the regulatory fee);
- the allocation of rights of use of frequencies and numbers; and
- the use of frequencies and numbers.

3 Flexibility in spectrum use

Do spectrum licences generally specify the permitted use or is permitted use (fully or partly) unrestricted? Is licensed spectrum tradable or assignable?

Over the past eight years ANACOM has been adopting a more flexible approach with regard to spectrum use, in accordance with the technological neutrality principle underlined in the 2009 EU Regulatory Framework, without neglecting acquired rights.

The spectrum licences generally specify the permitted use. All three licence types – 2G, 3G and 4G – specify the permitted use along with the allocated frequencies.

The licensed spectrum is both tradable and assignable. It is therefore possible to trade or assign licensed spectrum between companies, according to the rights granted in the licence, as long as ANACOM has not prohibited such transfer.

In case of transfer, the holders of rights of use shall give ANACOM prior notification of their intention to transfer such rights, as well as the conditions under which they intend to conduct the relevant transfer. ANACOM is, within 45 working days, entitled to prohibit the transfer or assignment if the following conditions are not met:

- the transfer or lease does not distort competition, namely due to the accumulation of rights of use;
- frequencies are efficiently and effectively used;
- the frequency use complies with what has been harmonised through the application of Decision No. 676/2002/EC of the European Parliament and of the Council of 7 March (the Radio Spectrum Decision) or other EU measures; or

- the restrictions set forth in the law in respect of radio and television broadcasting are safeguarded.

4 Ex-ante regulatory obligations

Which communications markets and segments are subject to ex-ante regulation? What remedies may be imposed?

The communications markets subject to ex-ante regulation are those mentioned in the European Commission Recommendation 2007/879/EC, of 17 December 2007 on relevant product and service markets, and also in the European Commission Recommendation 2014/710/EU, of 9 October 2014 (replacing the 2007 Recommendation).

The remedies ANACOM may impose are the following:

- transparency in relation to the publication of information;
- non-discrimination in relation to the provision of access and interconnection and the respective provision of information;
- accounting separation in respect of specific activities related to access and interconnection;
- price control; and
- cost accounting.

ANACOM shall impose the appropriate and justified obligations according to the nature of the identified problem.

The following table lists the applicable ex-ante regulatory obligations for each of the currently regulated markets. (Please note that references to PT Group mean the Portuguese incumbent operator, Portugal Telecom, currently MEO.)

Markets	Operator(s) concerned	Key remedies
Wholesale for call origination on the public telephone network provided at a fixed location (Market 2 under the 2007 Recommendation).	Companies of the PT Group that operate in this market.	<ul style="list-style-type: none"> To meet reasonable requests for access; non-discrimination in the offer of access and interconnection and respective provision of information; transparency in the publication of information, including reference proposals; price control obligation and cost accounting; and accounting separation and costing accounting system regarding specific activities related to access and/or interconnection (applies to PT Group only).
Wholesale for call termination on the public telephone network at a fixed location (Market 3 under the 2007 Recommendation).	PT Group and all operators of public fixed telephone networks.	<p>PT Group:</p> <ul style="list-style-type: none"> to publish an interconnection reference offer, prices, terms and conditions, technical information and information on quality of service; not to unduly discriminate in the provision of network access, including the interconnection flat rate tariff offer; cost accounting system and accounting separation; to enable network access in fair and reasonable conditions to operators of public electronic communications networks and to meet reasonable request for network access; and to fix prices based on costs and price control. <p>Other operators:</p> <ul style="list-style-type: none"> to enable network access in fair and reasonable conditions to operators of public electronic communications networks; and price control.

Markets	Operator(s) concerned	Key remedies
Wholesale network infrastructure access at a fixed location (Market 4 under the 2007 Recommendation).	Companies of the PT Group that operate in this market.	<ul style="list-style-type: none"> Access to local loops and sub-loops and to associated facilities, to negotiate in good faith with undertakings requesting access and not to withdraw access to facilities already granted; publication of the reference offer; 30-day pre-warning regarding provision alterations; not to unduly discriminate in providing access to local loops and sub-loops and associated facilities; cost accounting system and accounting separation; to set prices on the basis of cost orientation; to maintain the adopted method to estimate costs and the possibility of moving towards prospective long-run incremental cost models; and availability of accounting records (Customs Accounting System), including data regarding revenue from third parties.
Wholesale provision of broadband access (Market 5 under the 2007 Recommendation).	Companies of the PT Group that operate in this market.	<ul style="list-style-type: none"> To ensure access to the switched public telephone network at different points, to negotiate in good faith with the companies that request access and not to remove access already granted to certain resources; transparency through the publication of the broadband access reference offer ('PT ADSL Network'), with any alterations between versions clearly identified, and including SLAs (Service Level Agreements) and compensation for non-fulfilment; not to unduly discriminate in providing access to the network, to give 30 days' advance notice of any alterations to wholesale offers (in the case of significant alterations, this period shall be extended to two months), to launch retail offers whenever there are equivalent wholesale offers in the 'PT ADSL Network' and to issue information regarding delivery times, repair of faults and degree of availability; costing system and accounting separation; to set cost-oriented prices (broadband access services supported on the switched public telephone network) and price control ('retail-minus'); and to make accounting records (cost accounting system) available, including data on revenues received from third parties.
Wholesale for leased line terminal and transit segments (Market 6 under the 2007 Recommendation).	Companies of the PT Group that operate in this market.	<ul style="list-style-type: none"> To allow the access to, and the use of, specific network resources; non-discrimination in the access and interconnection offer and in the disclosure of related information; transparency on the provision of information, including reference proposals; separation of accounts concerning specific access and/or interconnection activities; price control and cost accounting; and financial report.

Markets	Operator(s) concerned	Key remedies
Wholesale for voice call termination on individual mobile networks (Market 2 under the 2014 Recommendation).	MEO Vodafone NOS	<ul style="list-style-type: none"> • To meet reasonable requests for access; • non-discrimination in the access and interconnection offer and in the respective information provision; • transparency in the publication of information; • price control (cost orientation of prices) and cost accounting; and • accounting separation.

5 Structural or functional separation

Is there a legal basis for requiring structural or functional separation between an operator’s network and service activities? Has structural or functional separation been introduced or is it being contemplated?

Yes.

Under the 2009 EU Regulatory Framework, the Electronic Communications Law foresees functional separation as an exceptional remedy, in the event that the imposition of all general ex-ante obligations have proven to be insufficient to assure effective competition. ANACOM shall notify the European Commission, with proper justification, in order to impose an obligation on vertically integrated undertakings to place activities related to the wholesale provision of relevant access products in an independently operating business entity. On the other hand, the same undertakings may decide voluntarily to promote functional separation: the split of the wholesale unit shall be subject to prior notification to ANACOM so it can assess the effect of the intended transaction on existing regulatory obligations, by means of a coordinated analysis of the different markets related to the access network.

The Electronic Communications Law also determines, under the EU Regulatory Framework of 2002 and Directive No. 1999/64/EC, of the Commission, of 23 June 1999, that undertakings providing public electronic communications networks shall operate their cable television network through legally independent bodies if:

- they are controlled by a member state or enjoy special rights;
- they have a dominant position in a substantial part of the market in respect of the provision of public electronic communications networks and of publicly available telephone services; or
- they operate a cable television network created through the enjoyment of special or exclusive rights in the same geographic area.

6 Universal service obligations and financing

Outline any universal service obligations. How is provision of these services financed?

The universal service obligations in Portugal currently include the following services:

- connection at a fixed location to the public telephone network and access to publicly available telephone services at a fixed location (including dial-up access to internet);
- provision of a comprehensive directory and telephone directory enquiry service; and
- adequate provision of public pay telephones.

Related to the connection service, there is an additional obligation to provide a special price package for pensioners and retired users.

The Electronic Communications Law determines that if ANACOM verifies that the universal service has net costs and finds such costs to be an excessive burden, it is incumbent upon the government, following the request of the respective provider, to arrange for appropriate compensation taken either from public funds or by sharing the net cost with other undertakings providing publicly available electronic communications networks and services on national territory.

Law No. 35/2012, of 23 August (amended and republished by Law No. 149/2015, of 10 September) establishes that the net costs of universal service are financed by the Fund for the Universal Service, and determines

that the financing of the universal service’s net costs shall be based on its sharing among undertakings providing public communications networks and/or publicly available electronic communications services on national territory that, in the calendar year to which the net costs relate, registered an eligible turnover in the electronic communications sector which gives them a weight equal to or higher than 1 per cent of the sector’s overall eligible turnover. The Fund shall be deemed to constitute autonomous property, without legal personality, and is managed and legally represented by ANACOM.

7 Number portability

Describe the number portability regime in your jurisdiction.

All providers of publicly available telephony services (ie, both fixed and mobile) must offer number portability and are obliged to cooperate in order to enable such portability and ensure minimum quality standards. With the new rules implemented by the revised 2009 EU Regulatory Framework, the right to portability was reinforced by reducing the porting deadline to one working day.

Number portability is managed by an independent entity (the Reference Entity).

The Electronic Communications Law determines that number portability must be required by the subscriber of the new service provider, accompanied by the note of termination of the former subscription agreement. The new service provider engages the former provider by electronic request, indicating three portability windows in which the portability can be executed. The former provider can deny portability only in very restricted cases, acceptance of the request being the general rule.

There is a special concern in the regime in preventing any unwanted portability, which is why both service providers involved have a particular responsibility to ensure that the person requesting portability is the legal subscriber of the contract associated with relevant number.

Portability is also ruled by ANACOM’s Regulation No. 58/2005, of 18 August, amended and republished by Regulation No. 114/2012, of 13 March.

8 Customer terms and conditions

Are customer terms and conditions in the communications sector subject to specific rules?

Yes. The Electronic Communications Law establishes a number of mandatory rules applicable to the contracts concluded with consumers and end-users.

The contract must specify, among other conditions, the following:

- services provided;
- the minimum service quality levels offered;
- information as to whether or not access to emergency services is provided;
- details of prices;
- payment methods offered and any charges or penalties due to payment method;
- the duration of the contract and the conditions whereby the contract or services may be renewed, suspended or terminated;
- explicit indication of the subscriber’s willingness in respect of the inclusion or not of their respective personal information in a public directory; and
- the type of action that might be taken by the provider in reaction to network security or integrity incidents.

Regarding the duration of the contract, the provider shall offer all users the possibility to subscribe to a contract with a maximum duration of 12 months; contracts concluded with consumers shall not mandate an initial commitment period that exceeds 24 months.

In parallel with the telecoms regulation, customer terms and conditions are also subject to the boilerplate agreement regime, approved by Decree-Law No. 446/85, of 25 October, and general consumer protection regulations.

The providers are obliged to communicate the standard contracts to ANACOM, which is entitled to determine that operators cease or adapt immediately the use of standard contracts where it verifies the failure to comply with legal rules.

9 Net neutrality

Are there limits on an internet service provider's freedom to control or prioritise the type or source of data that it delivers? Are there any other specific regulations or guidelines on net neutrality?

There are no specific regulations or guidelines regarding net neutrality. ANACOM, as a member of the Body of European Regulators for Electronic Communications (BEREC), established by Regulation (EC) No. 1211/2009 of the European Parliament and of the Council, of 25 November 2009, is participating in the drafting of the guidelines, expected to be published in August 2016.

10 Platform regulation

Is there specific legislation or regulation in place, and have there been any enforcement initiatives, relating to digital platforms?

There is no specific Portuguese legislation or regulation relating to digital platforms (besides the law applicable to information society services and e-commerce – Law No. 7/2004, of 7 January, as amended). However, in the context of the EU, in 2015 the European Commission conducted a public consultation on the regulatory environment for platforms, online intermediaries, data and cloud computing and the collaborative economy.

11 Next-Generation-Access (NGA) networks

Are there specific regulatory obligations applicable to NGA networks? Is there a government financial scheme to promote basic broadband or NGA broadband penetration?

There are no specific regulatory obligations.

However, in the context of the deployment of NGA networks, the regime governing the construction of infrastructure suitable for the accommodation of electronic communications networks and the access to such infrastructure by telecommunications operators has been approved by Decree-Law No. 123/2009, of 21 May, as amended and republished by Law No. 47/2013, of 10 July.

There is no government financial scheme to promote basic broadband. However, in 2008, following a public tender, four contracts were executed between the Portuguese state and two private companies, regarding the NGA broadband penetration in rural areas. In all cases, the public investment is less than 50 per cent of the total amount necessary, and such public investment was funded with EU funds. The contracts were executed after the European Commission decision regarding state aid rules.

12 Data protection

Is there a specific data protection regime applicable to the communications sector?

Yes. In the electronic communications sector, the processing of personal data is regulated by Law No. 41/2004, of 18 August (which transposes into national legislation Directive 2002/58/EC of the European Parliament and of the Council, of 12 July, concerning the processing of personal data and the protection of privacy in the electronic communications sector). This law was amended by Law No. 46/2012, of 29 August (which transposes the part of Directive 2009/136/EC amending Directive 2002/58/EC of the European Parliament and of the Council, of 12 July). This regime specifies and complements the provisions of Law No. 67/98, of 26 October (the Law on Protection of Personal Data). The retention of data generated or processed in connection with the provision of publicly available electronic communications services or of public communications networks is ruled by Law No. 32/2008, of 17 July (which transposes into national legislation Directive 2006/24/EC of the European Parliament and of the Council, of 15 March 2006), and by Administrative Rule No. 469/2009, of 6 May, amended and republished by Administrative Rule No. 694/2010, of 16 August.

Law No. 41/2004 determines that undertakings providing electronic communications networks and/or services shall ensure the inviolability of communications and the related traffic data by means of a public communications network and publicly available electronic communications services. Listening, tapping, storage or other kinds of interception or surveillance of communications and the related traffic data by anyone other

than users is prohibited, without the prior and explicit consent of the users concerned, except for cases provided in the law.

To this effect, providers of publicly available electronic communications services shall take appropriate technical and organisational measures to ensure the security of their services, in cooperation with the provider of the public communications network.

There is an obligation of the providers of publicly available electronic communications services to notify the National Data Protection Commission (CNPD) of any personal data breach. Where the personal data breach is likely to adversely affect the personal data of the subscriber or user, providers of publicly available electronic communications services shall also notify said breach to the latter.

In the scope of this law, the CNPD and ANACOM are entitled to:

- draw up regulations on practices to be adopted to comply with this law;
- give orders and make recommendations;
- publish on the respective websites any codes of conduct they are aware of; and
- publish on the respective websites any other information deemed to be relevant.

13 Big data

Is there specific legislation or regulation in place, and have there been any enforcement initiatives in your jurisdiction, addressing the legal challenges raised by big data?

There is no specific legislation or regulation relating to or addressing the issues arising from big data.

14 Key trends and expected changes

Summarise the key emerging trends and hot topics in communications regulation in your jurisdiction.

In 2015 ANACOM adopted a decision regulating the wholesale for voice call termination on individual mobile networks (market 2 under the 2014 Recommendation).

ANACOM intended to impose regulatory obligations in the wholesale broadcast for delivery of content to end-users (market 18 under the 2003 Recommendation), in the segment of the digital terrestrial broadcasting service. However, in December 2015 ANACOM decided to withdraw the draft of the final decision due to serious concerns presented by the European Commission upon its notification. Ex-ante obligations were imposed in the context of the above-mentioned market 18, but considering the analogue service.

The following markets subject to ex-ante obligations are currently under review: wholesale local access provided at a fixed location, and wholesale central access provided at a fixed location for mass-market (market 3(a) and (b) under the 2014 Recommendation). In the course of 2016 the review of the wholesale for high-quality access provided at a fixed location (market 4 under the same Recommendation) is expected to be launched by ANACOM.

Another hot topic in communications regulation is whether over-the-top (OTT) services shall be subject to regulation or whether the electronic communication services and networks shall face lighter regulation. Also on this topic it is expected that national regulation will be adopted in accordance with the outcome of the current review of the 2009 EU Regulatory Framework. This is the main conclusion of the Draft Report on OTT Services, of October 2015, delivered by BEREC. A separate review of net neutrality (which is also a hot topic in Portugal) is being conducted by the same body.

Media

15 Regulatory and institutional structure

Summarise the regulatory framework for the media sector in your jurisdiction.

The media sector in Portugal is regulated by the Regulatory Authority for Media (ERC), a public entity created by Law No. 53/2005, of 8 November.

There are three key legal frameworks, one for each of the different areas:

- the Television Law No. 27/2007, of 30 July, as amended by Law No. 8/2011, of 11 April and Law No. 40/2014, of 9 July;

- the Radio Law No. 54/2010, of 24 December, as amended by Law No. 38/2014, of 9 July; and
- the Press Law No. 2/99, of 13 of January, as amended by Law No. 18/2003, of 3 February and Law No. 19/2012, of 8 May.

On the subject of changes, Law No. 78/2015, of 29 July, introduced several amendments regarding the promotion of transparency in the ownership, management and financial resources of undertakings pursuing social communication activities, addressing the concerns of information and conflict of interests in these areas and amending the Press Law, the Television Law and the Radio Law.

16 Ownership restrictions

Do any foreign ownership restrictions apply to media services? Is the ownership or control of broadcasters otherwise restricted? Are there any regulations in relation to the cross-ownership of media companies, including radio, television and newspapers?

With regard to television and radio, although no foreign ownership restrictions apply, there are some restrictions on investment.

In television, no company can directly or indirectly own more than 50 per cent of the licences issued for free-to-air television. Political parties or associations, local authorities or their associations, trade unions, or employers or professional associations are not allowed to perform or finance, either directly or indirectly, television activity.

In radio broadcasting, ownership is restricted to 10 per cent of the local radio licences issued in Portuguese territory, or a number of radio licences equal to 50 per cent or more of the radio stations with the same territorial coverage and using the same frequency band. Therefore, companies cannot directly or indirectly hold more than the above-mentioned percentages.

The Press Law does not specifically regulate ownership or control, so general competition law rules apply.

The ownership or control of media companies, including radio, television and newspapers, can also be restricted within the context of concentrations between undertakings: general rules of competition law are applicable, and the decision of the Competition Authority (ADC) is subject to a prior opinion of the ERC, which shall be mandatory if the ERC considers that the concentration harms media plurality.

17 Licensing requirements

What are the licensing requirements for broadcasting, including the fees payable and the timescale for the necessary authorisations?

Under both the Television and Radio Law, television and radio broadcasting shall only be performed by companies that pursue such activities as their main corporate object.

The right to broadcast television and radio is subject to the attribution of a licence by the ERC by means of a public tender launched by a decision of the government. It is incumbent upon the ERC to grant, renew, alter or repeal licences or authorisations to pursue media broadcasting activity. The fees and timescale associated with such activity depend on the terms provided in the public tender.

The spectrum allocation for the performance of television and radio broadcasting is one of ANACOM's attributions, which ANACOM must execute having considered the ERC's opinion. The use of the spectrum intended for broadcasting unrestricted free-to-air television programme services and radio is made under the QNAF.

The conditioned access television programme services that require a subscription (pay-TV) do not use the spectrum and therefore such broadcasting is only subject to obtaining a licence granted by the ERC.

Concessions for public media broadcasting services, both radio and television, shall be granted for a 15-year period, subsequently renewable for equal periods of time, under the terms of the concession contract to be executed between the state and the concessionaire.

In general, the fees payable to the ERC in respect of the exercise of the media activity were approved by Decree-Law No. 103/2006, of 7 June

(amended by Decree-Law No. 70/2009, of 31 March, and rectified by the Statement of Rectification No. 36/2009, of 28 May). The amounts of the fees due in relation to the issuance of a licence by the ERC are defined in Administrative Rule No. 136/2007, of 29 January (as amended by Decree-Law No. 70/2009, of 31 March) and Administrative Rule No. 785/2009, of 27 July.

18 Foreign programmes and local content requirements

Are there any regulations concerning the broadcasting of foreign-produced programmes? Do the rules require a minimum amount of local content? What types of media fall outside this regime?

The Television Law mandates that operators who provide television programme services with national coverage shall reserve a majority proportion of their transmission time for European works, excluding the time appointed to news services, sports events, games, advertising, teleshopping and teletext services.

With respect to local requirements, the Radio Law also determines that the music programming of radio programme services must include Portuguese music with a minimum quota ranging from 25 to 40 per cent. Aside from these specific obligations, there is also a general rule for the media sector to (i) extend television programming to regional or local contents, (ii) broadcast information with a specific interest for the audience's geographic scope, and (iii) promote typical values of regional or local cultures.

19 Advertising

How is broadcast media advertising regulated? Is online advertising subject to the same regulation?

Broadcast media advertising is regulated by the Advertising Code (approved by Decree-Law No. 333/90, of 23 October, as amended), more specifically, by the Television and Radio Law, with regard to advertising in television and radio, respectively.

The Advertising Code regulates sensitive areas such as advertising of alcoholic beverages and tobacco, and false advertising. The Code states that advertising must respect human dignity and must not promote discrimination or any harmful behaviour.

With regard to television, the amount of spot advertisement and teleshopping in every two-hour period shall not exceed 10 per cent or 20 per cent of the airtime, depending on the type of programme service: 'pay-TV' services or free-to-air television programme services, unrestricted or subject to a subscription. This limit excludes announcements made by television operators in connection with their own programmes and ancillary products directly linked to those programmes, and also public service or public interest announcements and humanitarian appeals broadcast free of charge, as well as the identification of sponsorships. Windows devoted to teleshopping shall be of a minimum uninterrupted duration of 15 minutes.

The Radio Law also predicts similar restrictions. The inclusion of advertising in the broadcast programmes must not affect the integrity of the programmes and shall take into account programmes' breaks, their duration and nature. The broadcasting of advertising material shall not exceed 20 per cent of the total licensed programme services airtime and sponsored programme slots must make explicit reference to the sponsorship at the beginning of the programme.

The Press Law does not specifically regulate advertising in the sector, so general rules apply.

20 Must-carry obligations

Are there regulations specifying a basic package of programmes that must be carried by operators' broadcasting distribution networks? Is there a mechanism for financing the costs of such obligations?

ANACOM shall impose must-carry obligations upon undertakings providing electronic communications networks used for the distribution of radio or television broadcasts where such networks are used by a significant

number of end-users as the principal means of receiving radio and television broadcasts. Those obligations shall be to transmit radio and television broadcast channels and services as specified by ANACOM, under the law. Must-carry obligations shall be imposed only where they are necessary to meet clearly set purposes of general interest and shall be reasonable, proportionate, transparent and subject to periodical review.

Under the Television Law, the provider of the digital terrestrial broadcasting network is obliged to reserve transmission capacity for television programme services broadcasted by terrestrial means in analogue mode provided by operators holding licences or concessions in force at the date of entry into force of said law (which are the three free-to-air Portuguese TV operators with national coverage).

21 Regulation of new media content

Is new media content and its delivery regulated differently from traditional broadcast media? How?

In general, new media content and its delivery are not regulated differently from traditional broadcast media, with few exceptions.

The Television Law excludes from its subject the concept of television communication services operating on individual demand.

Content provided through non-linear broadcasting services (such as video-on-demand from the linear broadcasting service) would normally be regulated in the same manner as other broadcasting services, but is, in fact, subject to a lighter regulatory regime. This regime includes basic rules on protection of minors, the prevention of racial hatred and the prohibition of certain types of publicity.

22 Digital switchover

When is the switchover from analogue to digital broadcasting required or when did it occur? How will radio frequencies freed up by the switchover be reallocated?

The provision of the digital broadcasting service was awarded to MEO by tender offer in 2008. The switchover from analogue to digital was concluded in 2012, as scheduled, with all remaining transmitters and relays still broadcasting analogue signals being switched off on 26 April that year. As of 12.30pm on that day, all digital television signals being broadcast in Portugal became digital.

The radio frequencies freed up by the switchover were primarily allocated to the 4G (LTE) mobile network.

23 Digital formats

Does regulation restrict how broadcasters can use their spectrum (multi-channelling, high definition, data services)?

ANACOM and the ERC are in charge of the regulation of the spectrum used in media services and they authorise the use of the frequencies and supervise broadcasters' fulfilment of their obligations. These obligations can include almost every aspect of the spectrum use, from technical requirements to general obligations related to the broadcasting activities.

ANACOM also has powers to modify, revise and even impose new conditions grounded on public interest reasons. Currently there are no specific regulations restricting spectrum use concerning multi-channelling, high definition and data services, other than the restrictions established in the licences or arising from legal must-carry obligations.

24 Media plurality

Is there any process for assessing or regulating media plurality (or a similar concept) in your jurisdiction? May the authorities require companies to take any steps as a result of such an assessment?

There is no specific process for ex-ante assessment or regulation regarding media plurality.

Both ANACOM and the ERC may contribute, within the scope of their remit, to ensure the implementation of policies aimed at the promotion of cultural and linguistic diversity, as well as pluralism. Specifically in the television, radio and press sectors, the ERC is incumbent to guarantee

information that observes pluralism, accurateness and independence, and to ensure diverse and plural programming, including during peak viewing periods: these powers are used within the supervision of the sector, including in the scope of administrative infringements and the licensing administrative procedures.

25 Key trends and expected changes

Provide a summary of key emerging trends and hot topics in media regulation in your country.

Following the Proposal for a Decision of the European Parliament and of the Council on the use of the 470-790MHz frequency band in the Union, of February 2016, ANACOM is currently preparing its proposal to the Portuguese government. In this context the harmonised technical conditions and a common deadline for effective use of the 700MHz band and long-term use of the sub-700MHz frequency band for audiovisual distribution, including its availability for DTT, is being considered.

The fourth quarter of 2015 has seen a rapid succession of deals being struck between telecommunications platform operators and professional football clubs for the acquisition of future broadcast rights to football matches in the Portuguese first and second division competitions. Certain aspects related to these football rights contracts, such as their duration and the terms in which the matches may be broadcast in the future, are likely to attract regulatory scrutiny and will certainly be one of the most noteworthy features in media and competition regulation in Portugal during 2016.

Regulatory agencies and competition law

26 Regulatory agencies

Which body or bodies regulate the communications and media sectors? Is the communications regulator separate from the broadcasting or antitrust regulator? Are there mechanisms to avoid conflicting jurisdiction? Is there a specific mechanism to ensure the consistent application of competition and sectoral regulation?

ANACOM is the regulator in the electronic communications and postal sector and the media sector is regulated by the ERC. The antitrust regulator is a different body, the ADC, responsible for the implementation of the general framework for competition's protection.

The general framework for protection of competition, approved by Law No. 19/2012, of 8 May, determines that when a market subject to sectoral regulation is concerned, the ADC shall request the prior opinion of the respective regulatory authority before applying any measure. The sectoral regulator shall then have a maximum period of five working days to issue its opinion.

In general, the relevant legislation for each sector defines mechanisms to avoid conflicting jurisdiction. Both ANACOM and the ERC organic statutes determine that ANACOM and the ERC shall cooperate and collaborate with the ADC, while respecting the corresponding assignments in matters relating to the implementation of the legal framework for competition in the communications and media sectors.

For the purpose of cooperation between sectoral regulators and the ADC in the application of competition law, the relevant entities have entered into bilateral cooperation agreements, such as the Protocol for Cooperation executed on 26 of September 2003 between ANACOM and the ADC and the Protocol signed on the 27 of June 2007 between ANACOM and the ERC.

To ensure the consistent enforcement of competition and sectoral regulation, the applicable legislation sets out that the violation of sectoral regulation as an administrative offence is subject to the application of fines, which can be up to €5 million pursuant to the Electronic Communications Law, €375,000 under the Television Law and €100,000 under the Radio Law.

In addition, ANACOM and the ERC can suspend and even revoke licences in case of severe offences.

The administrative offences in the media sector are also weighted by the ERC in the process of renewal of licences, which can cause an adverse effect resulting in the denial of the request for renewal.

27 Appeal procedure**How can decisions of the regulators be challenged and on what bases?**

Administrative decisions of the sectorial regulators (such as regulatory acts, ex-ante obligations, licences) can be challenged before the administrative courts.

The application of fines as a result of an administrative offence can be contested at the Court of Competition, Regulation and Supervision.

In the appeal proceedings, only grounds related to law and procedure may be used. The merits of the administrative decisions, regarding the use of discretionary powers, cannot be discussed before the courts, unless on the basis of an infringement of general principles of law, such as equality, proportionality and impartiality, or an ostensive error of judgement.

28 Competition law in the communications and media sectors**Describe the key merger and antitrust decisions in the communications and media sectors adopted over the past year by your antitrust authority.**

There have been no key merger and antitrust decisions in the communications and media sectors adopted over the past year.

The acquisition of sole control over the PT Portugal Group by Altice was cleared under the EU Merger Regulation by the European Commission.

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