

THE TECHNOLOGY,  
MEDIA AND  
TELECOMMUNICATIONS  
REVIEW

NINTH EDITION

Editor  
John P Janka

THE LAWREVIEWS

THE  
TECHNOLOGY,  
MEDIA AND  
TELECOMMUNICATIONS  
REVIEW

NINTH EDITION

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John P Janka

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# CONTENTS

PREFACE.....	vii
<i>John P Janka</i>	
LIST OF ABBREVIATIONS.....	ix
Chapter 1 AUSTRALIA.....	1
<i>Angus Henderson, Richard Dampney and Irene Halforty</i>	
Chapter 2 BELARUS.....	21
<i>Kirill Laptev</i>	
Chapter 3 BELGIUM.....	31
<i>Flip Petillion, Jan Janssen, Diégo Noesen and Alexander Heirwegh</i>	
Chapter 4 BRAZIL.....	43
<i>Raphael de Cunto and Beatriz Landi Laterza Figueiredo</i>	
Chapter 5 CHINA.....	55
<i>Jihong Chen</i>	
Chapter 6 ESTONIA.....	68
<i>Mihkel Miidla and Liisa Maria Kuuskmaa</i>	
Chapter 7 EU OVERVIEW.....	88
<i>Marco D'Ostuni, Gianluca Faella and Manuela Becchimanzi</i>	
Chapter 8 FRANCE.....	108
<i>Myria Saarinen and Jean-Luc Juban</i>	
Chapter 9 GERMANY.....	125
<i>Christian Engelhardt</i>	

Chapter 10	HONG KONG .....	138
	<i>Simon Powell and Chi Ho Kwan</i>	
Chapter 11	INDIA .....	155
	<i>Atul Dua and Anuradha</i>	
Chapter 12	ITALY .....	168
	<i>Marco D'Ostumi, Marco Zotta and Manuela Becchimanzi</i>	
Chapter 13	JAPAN .....	189
	<i>Hiroki Kobayashi, David Lai and Takaki Sato</i>	
Chapter 14	LATVIA .....	210
	<i>Andris Tauriņš and Madara Melņika</i>	
Chapter 15	LITHUANIA .....	226
	<i>Stasys Drazdauskas</i>	
Chapter 16	LUXEMBOURG .....	235
	<i>Linda Funck</i>	
Chapter 17	MEXICO .....	259
	<i>Federico Hernández Arroyo</i>	
Chapter 18	PORTUGAL .....	270
	<i>Jaime Medeiros, Carolina Ribeiro Santos and Ana Ramos Logrado</i>	
Chapter 19	RUSSIA .....	292
	<i>Maxim Boulba and Elena Andrianova</i>	
Chapter 20	SINGAPORE .....	303
	<i>Ken Chia and Daryl Seetoh</i>	
Chapter 21	SPAIN .....	327
	<i>Pablo González-Espejo</i>	
Chapter 22	SWITZERLAND .....	342
	<i>András Gurovits and Victor Stancescu</i>	

## Contents

---

Chapter 23	TAIWAN .....	360
	<i>Patrick Marros Chu, Vick Chien and Sam Huang</i>	
Chapter 24	UNITED ARAB EMIRATES .....	370
	<i>David Bintliff, Cathal Flynn, Racheal Sanni, Shannon Rogers and Ayah Abdin</i>	
Chapter 25	UNITED KINGDOM .....	382
	<i>John D Colahan, Gail Crawford and Lisbeth Savill</i>	
Chapter 26	UNITED STATES .....	429
	<i>John P Janka, Matthew T Murchison and Michael H Herman</i>	
Appendix 1	ABOUT THE AUTHORS .....	449
Appendix 2	CONTRIBUTING LAW FIRMS' CONTACT DETAILS.....	467

# PREFACE

This fully updated ninth edition of *The Technology, Media and Telecommunications Review* provides an overview of evolving legal constructs in 26 jurisdictions around the world. It is intended as a business-focused framework rather than a legal treatise, and provides a general overview for those interested in evolving law and policy in the rapidly changing TMT sector.

Broadband connectivity (regardless of the technology used) continues to drive law and policy in this sector. Next-generation wireless connectivity will be provided by a network of networks, with multiple technologies – both wired and wireless, using licensed and unlicensed spectrum – playing an integral role in delivering service to the end user. By way of example, free WiFi service in homes and businesses today carries the majority of the data that is transmitted to smartphones and wireless tablets that also rely on paid service from a wireless carrier. And wireless carriers otherwise rely on a variety of technologies to ultimately connect the customer to the internet or someone on the other end of the phone.

The disruptive effect of new technologies and new ways of connecting people and devices creates challenges around the world as regulators both seek to facilitate digital inclusion by encouraging the deployment of state-of-the-art communications infrastructure to all citizens, and also seek to use the limited radio spectrum more intensively than before. At the same time, technological innovation makes it commercially practical to use large segments of ‘higher’ parts of the radio spectrum for the first time. Moreover, the global nature of TMT companies requires them to engage on these issues in different ways than before.

A host of new demands, such as the developing internet of things, the need for broadband service to aeroplanes, vessels, motor vehicles and trains, and the general desire for faster and better mobile broadband service no matter where we go, all create pressures on the existing spectrum environment. Regulators are being forced to both ‘refarm’ existing spectrum bands and rewrite their licensing rules, so that new services and technologies can access spectrum previously set aside for other purposes that either never developed or no longer have the same spectrum needs. Regulators also are being forced to seek means for coexistence in the same spectrum between different services in ways previously not contemplated.

Many important issues are being studied as part of the preparation for the next World Radio-communication Conference (WRC) of the International Telecommunication Union (ITU), to be held in 2019. No doubt, this conference will lead to changes in some long-standing radio spectrum allocations. And the conference also may include some political spectrum allocations that are based on pressures brought by well-heeled industries, rather than logic or sound policy. Indeed, these pressures already exist around the world in decisions being made by national regulators outside of and before the WRC.

Legacy terrestrial telecommunications networks designed primarily for voice are being upgraded to support the broadband applications of tomorrow. As a result, many governments



are investing in or subsidising broadband networks to ensure that their citizens can participate in the global economy, and have universal access to the vital information, entertainment and educational services now delivered over broadband. Many governments are re-evaluating how to regulate broadband providers, whose networks have become essential to almost every citizen. However, many policymakers still have not solved the problem caused when their incumbent service providers fail to extend service to all of their citizens for business reasons – because those businesses deem ‘unprofitable’ those who are the hardest to serve. Curiously, policymakers sometimes exacerbate this failure by resorting to spectrum auctions to award the right to provide service in a given frequency band to the highest bidder, failing to require service availability to everyone in the auctioned area, and then making the auction winner the gatekeeper for anyone else who wants to use the same spectrum. Too often, decisions are based (explicitly or implicitly) on expected auction revenues, which consumers end up paying for in the end through higher costs of service. Far too infrequently do policymakers factor in the benefits of ensuring ubiquitous connectivity: new jobs, economic growth, security, social inclusion, and improvements in healthcare, education and food production, to name a few. Indeed, treating spectrum as a property right rather than as the valuable public resource it is often leads to perverse results in the marketplace.

Convergence, vertical integration and consolidation can also lead to increased focus on competition and, in some cases, to changes in the government bodies responsible for monitoring and managing competition in the TMT sector. Similarly, many global companies now are able to focus their regulatory activities outside their traditional home, and in jurisdictions that provide the most accommodating terms and conditions.

Changes in the TMT ecosystem, including increased opportunities to distribute video content over broadband networks, have led to policy focuses on issues such as network neutrality: the goal of providing some type of stability for the provision of the important communications services on which almost everyone relies, while also addressing the opportunities for mischief that can arise when market forces work unchecked. While the stated goals of that policy focus may be laudable, the way in which resulting law and regulation are implemented has profound effects on the balance of power in the sector, and also raises important questions about who should bear the burden of expanding broadband networks to accommodate capacity strains created by content providers and to facilitate their new businesses.

The following chapters describe these types of developments around the world, as well as the liberalisation of foreign ownership restrictions, efforts to ensure consumer privacy and data protection, and measures to ensure national security and facilitate law enforcement. Many tensions exist among the policy goals that underlie the resulting changes in law. Moreover, cultural and political considerations often drive different responses at the national and the regional level, even though the global TMT marketplace creates a common set of issues.

I thank all of the contributors for their insightful contributions to this publication, and I hope you will find this global survey a useful starting point in your review and analysis of these fascinating developments in the TMT sector.

**John P Janka**

Latham & Watkins LLP

Washington, DC

November 2018

# LITHUANIA

*Stasys Drazdauskas*<sup>1</sup>

## I OVERVIEW

An effective innovation system, which would encourage the growth of an innovative economy, is seen by the Lithuanian government as a strategic objective. Lithuania is focused on the development of high-level scientific knowledge, scientific research, experimental development, as well as fostering innovative business, intersectoral business cooperation and technology transfer.

Lithuania is particularly strong in the health and biotechnology area (worth about 1 per cent of the GDP),<sup>2</sup> where the government is continuously committed to provide support. Photonics is another advanced area in Lithuania, where 700 specialists are employed in the laser industry.<sup>3</sup> In fintech, with the support of the Lithuanian Bank, Lithuania is experiencing the emergence of many new pilot projects, such as the Fintech Sandbox, Blockchain Sandbox, Open Banking Sandbox and Energy Sandbox.<sup>4</sup>

Advancement in the aero cosmic field, particularly driven by the successful launch of the first Lithuanian nano satellites, inspired the government to adopt the Aerocosmos development programme for 2016–2020.<sup>5</sup>

Information technology sector production in Lithuania is close to €2 billion, which to a large extent is driven by software engineering, programming and consulting services, where over 31,000 IT specialists (18,100 software developers) are employed (about 2.3 per cent of the total workforce in Lithuania).<sup>6</sup> Business service centres established by Barclays, Daskebank, WesternUnion, SEB, skandia, Paroc, Swedbank, and Euromonitor international account for a large portion of the IT workforce in Lithuania.

Electronic communication market revenue grew by 1.48 per cent in 2017.<sup>7</sup> At the end of 2017 there were 4.3 million active mobile communication subscribers (149 per cent of the total Lithuanian population). The internet is used by almost 80 per cent of the population, and average broadband speeds are 50MB/s with fast public WiFi.

1 Stasys Drazdauskas is a counsel at Sorainen.

2 <https://investlithuania.com/wp-content/uploads/2018/02/Biotech-in-Lithuania.pdf>.

3 <https://investlithuania.com/wp-content/uploads/2017/09/Photonics-in-Lithuania.pdf>.

4 <https://investlithuania.com/wp-content/uploads/2018/05/Technology-in-Lithuania.pdf>.

5 <http://ukmin.lrv.lt/lt/veiklos-sritys/inovaciju-veiklos-sritis/inovaciju-strategijos-ir-programos>.

6 [https://osp.stat.gov.lt/statistikos-leidiniu-katalogas?p\\_p\\_id=101&p\\_p\\_lifecycle=0&p\\_p\\_state=maximized&p\\_p\\_mode=view&\\_101\\_struts\\_action=%2Fasset\\_publisher%2Fview\\_content&\\_101\\_assetEntryId=4756134&\\_101\\_type=content&\\_101\\_urlTitle=informacines-technologijos-lietuvoje-2016-leidinio-pristatymas-&inheritRedirect=true](https://osp.stat.gov.lt/statistikos-leidiniu-katalogas?p_p_id=101&p_p_lifecycle=0&p_p_state=maximized&p_p_mode=view&_101_struts_action=%2Fasset_publisher%2Fview_content&_101_assetEntryId=4756134&_101_type=content&_101_urlTitle=informacines-technologijos-lietuvoje-2016-leidinio-pristatymas-&inheritRedirect=true) <https://investlithuania.com/lt/prioritetiniai-sektoriniai-technologijos/>.

7 [https://www.rtt.lt/wp-content/uploads/2018/07/Ataskaita\\_2018\\_I\\_kervirtis\\_20180717.pdf](https://www.rtt.lt/wp-content/uploads/2018/07/Ataskaita_2018_I_kervirtis_20180717.pdf).

The use of electronic governance services in Lithuania grew to 48 per cent of the total residents. In the area of electronic governance Lithuania ranked in 11th place in Europe in 2017.<sup>8</sup>

## II REGULATION

### i The regulators

Electronic communications is one of the most regulated technology areas in Lithuania. The Law on Electronic Communications (LEC)<sup>9</sup> transposes the EU regulatory framework for electronic communications. On the basis of the LEC further government regulations have been adopted to regulate certain more technical or more detailed issues of the framework.

The Communications Regulatory Authority<sup>10</sup> is the main regulator in the electronic communications area, and is also responsible for adoption of a number of delegated legal acts, as well as supervisory measures (market review, imposition of measures for entities with significant market power, etc.).

The LEC applies to electronic communication services, the definition of which is equivalent to the EU Framework Directive, public communication networks, universal services, as well as governance of electronic communication resources (frequencies, numbering plan). The law also contains provisions on privacy in electronic communications, transposing the e-Privacy Directive.

Information society services are regulated by the Law on Information Society Services,<sup>11</sup> transposing the Directive on electronic commerce, which is based on non-discrimination, technological neutrality, functional equivalency and other principles. Liability exemptions for transmission service, caching service, and hosting service providers are established, without imposing a general obligation for providers to monitor stored or transmitted information.

Media services are regulated by the Law on Provision of Information to the Public (LPIP).<sup>12</sup> The law establishes the procedure for collecting, producing, publishing and disseminating public information and the rights, duties and liability of producers and disseminators of public information, their participants, journalists and institutions regulating their activities. The law establishes licensing and notification requirements for broadcasting (TV, radio) organisations, limitations on ownership, requirements for media content, programme composition, language, advertising restrictions, ethics, etc.

The media area is supervised by an independent regulatory authority – the Radio and Television Commission (RTC).<sup>13</sup> The RTC is responsible for licensing of radio and television broadcasting and rebroadcasting activities, notification procedures, approval of ownership transfers, monitoring and supervision of content control, and advertising requirements.

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8 <https://ivpk.lrv.lt/lt/naujienos/auga-elektroniniu-budu-teikiamu-paslaugu-skaicius>.

9 Latest English version: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/05cd4e020f0a11e7b6c9f69dc4ecf19f?fwid=-502q00eth>.

10 Website: <https://www.rtt.lt/en/>.

11 <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.277491/FGVmSopPwK>.

12 Latest English version: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/c4a1511305c611e8802fc9918087744d?fwid=-502pzze92>.

13 Website: <https://www.rtk.lt/en/>.

Other regulatory bodies that may exercise supervision over ECS providers pursuant to their competence include (not exhaustively) the State Consumer Rights Protection Authority, the State Data Protection Inspectorate, the Competition Council, and the Inspector of Journalist Ethics.

## **ii Regulated activities**

Under the LEC, the provision of public communication (fixed, mobile and over electricity networks) networks or services, as well as public satellite communication networks and services is subject to a prior notification obligation. The notification form is publicly available on the website of the CRA.<sup>14</sup>

All public communication service providers who engage in the provision of public communication networks and services, dedicated lines, internet access, data transfer services, television (satellite, cable, multi-channel microwave, digital terrestrial, IPTV) services, cable radio services, optical fibre network services, and TV and radio transmission services are subject to quarterly reporting obligations. The reporting form is publicly available on the website of the CRA,<sup>15</sup> which can be submitted electronically.

There is no requirement for communication service providers to be established or registered locally.

RFs are assigned by the CRA in accordance with the approved national plans. They can be assigned directly to the applicant, or by way of a public auction (e.g., in case of mobile communications networks). Telephone numbers are distributed according to the national numbering plan.

The RTC is responsible for licensing of radio and TV broadcasting and rebroadcasting activities. Licences are required for radio and TV broadcasting via terrestrial stations or networks, cable networks, multi-channel microwave networks, and networks the main purpose of which is not radio or TV broadcasting. Broadcasting via websites or web portals is not subject to licensing. Other broadcasters or subscription media service providers are subject to notification requirements.

## **iii Ownership and market access restrictions**

In Lithuania, there are no general ownership restrictions for communication services providers. However, where national radio spectrum is allocated via public auction, participants usually are required by the CRA to comply with European and transatlantic integration criteria (i.e., entities must be established in countries of the EEA, EFTA, OECD or NATO).

The Law on Companies having Strategic Importance for National Security<sup>16</sup> recognises information technology and telecommunications and other high technologies as economy sectors having strategic importance for national security. When an investor in this sector acquires ownership of more than one-quarter of the entity of the strategic sector, this acquisition must be notified to the Commission on Coordination of Security for Objects of Importance for National Security.

Radio and TV broadcasting licence holders may be owned by entities, who comply with certain restrictions. Licence holders cannot be owned by state or municipal institutions,

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14 [https://www.rtt.lt/wp-content/uploads/2018/07/Pranesimo-apie-elektroniniu-rysiu-veikla\\_forma\\_.doc](https://www.rtt.lt/wp-content/uploads/2018/07/Pranesimo-apie-elektroniniu-rysiu-veikla_forma_.doc).

15 [https://www.rtt.lt/wp-content/uploads/2018/07/ketvirtines-ataskaitos-forma\\_2017.xlsx](https://www.rtt.lt/wp-content/uploads/2018/07/ketvirtines-ataskaitos-forma_2017.xlsx).

16 <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.189498/HJFvQfjZU?jfwid=-502pzz0ei>.

governmental organisations, companies owned by the government or municipalities, banks, and political parties. Licence holders must also comply with reputation requirements (i.e., absence of criminal convictions for management or owners). Licence holders can be owned only by entities established in the EU or NATO, and which had no relations with entities or governments outside the EU or NATO that would pose a threat to national security.

Local and regional public information disseminators (newspapers, journals) must report their ownership to the RTC.

The telecommunication, media and technology sectors are also subject to general concentration controls from the perspective of competition law. In certain cases, an acquisition transaction may require notification and approval from the Competition Council.

In general, Lithuanian law does not limit market access, except for the limitations specified above.

#### **iv Transfers of control and assignments**

Telecommunication service providers are usually not subject to ownership change notifications or approvals.

A change in the ownership of at least 10 per cent in the radio or TV broadcasting licence holder requires prior consent from the RTC. Prior to the ownership change, the licence holder has to apply to the RTC for consent and provide all information required to prove the reputation and origin of the new owner. Consent is granted usually within one month. In the event a concentration permit is required from the Competition Council, the consent is only issued after the permit is granted by the Competition Council.

The Commission on Coordination of Security for Objects of Importance for National Security reviews notifications regarding compliance of the investors with the restrictions of the Law on Objects having Strategic Importance for National Security and must adopt its conclusions within 15 days after receipt of notification.

### **III TELECOMMUNICATIONS AND INTERNET ACCESS**

#### **i Internet and internet protocol regulation**

The LEC does not contain rules dedicated specifically to internet or IP-based services. Certain electronic communication services, which are based on IP technology (e.g., VoIP), are subject to the same regulatory regime as other public access telecommunication services. For example, services that include inbound and outbound call services qualify as equivalent to public access telecommunication service, and the same legal and regulatory regime applies to such services. Call services provided via PSTN, ISDN based on IP, coaxial based on IP, STP or UTP based on IP, FTTP based on IP, GSM technology based fixed line services all qualify as substitute services by the CRA.

The CRA is supervising the implementation of Regulation (EU) 2015/2120 on open internet access and the BEREC Guidelines on the Implementation by National Regulators of European Net Neutrality Rules.<sup>17</sup>

Information society services (other than electronic communication services) are subject to the regulation of the Law on Information Society Services, which is based on the principles

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<sup>17</sup> <https://www.rrt.lt/telefono-rsysys-internetas-tv/paslaugu-kainos-kokybe/paslaugu-kokybe-matavimai-zemelapiai/atvira-interneto-prieiga-ir-tinklu-neutralumas/>.

of technological neutrality and non-discrimination. Information society service providers are required to provide the following directly and permanently accessible information to the recipients of the service:

- a* the name of the service provider;
- b* the service provider's registered address;
- c* contact details, including the electronic mail address;
- d* the register, where the service provider is registered, and registration number;
- e* supervisory authority; and
- f* VAT payer code.

If reference is made to the fee charged for the service, information on whether the fee includes taxes and delivery charges must be provided.

Information society service providers who engage in information transmission (mere conduit), caching and hosting service provision are exempt from liability for the information transmitted. Additionally, such information society service providers are not required to monitor information upon the mere transmission thereof or provision of access thereto, temporary storage thereof in cache memory or storage thereof at the request of the recipient of the service, nor is the service provider obligated to actively seek facts or circumstances indicating illegal activity. However, these information society service providers are required to remove illegal content once they are notified by the right holders or those affected by the illegal information.

## **ii Universal service**

In Lithuania, universal electronic communication services include provision of a subscriber line, internal calls and foreign calls, and call-box stations. Universal services are provided by Telia Lietuva, AB, a fixed line communication service provider.

## **iii Restrictions on the provision of service**

### ***Price regulation***

In Lithuania, the CRA has imposed price limitations to certain providers for universal services, for call termination in public access telephone services, wholesale line rental services, wholesale local fixed access services, wholesale central access for massive market products, mobile call termination services, and broadcasting transmission services.

### ***Access***

Communication network service providers have to provide access to their infrastructure in cases where the user of infrastructure cannot implement its right to electronic communication infrastructure, or where the costs of such implementation would be disproportionately high. The network operator is required to conclude the agreement with the user of the infrastructure following the principles of non-discrimination and transparency.

### ***Contracts with consumers***

The Lithuanian Civil Code (Article 6.161) qualifies public communication service contracts as public contracts (i.e., public communication service contracts have to be concluded with any customer who applies for the services, where it is technically possible to provide the

service). Service providers may not refuse to conclude contracts or to provide discriminatory terms to certain groups of customers. Standard terms on electronic service contracts are controlled by the general contract law provisions as well as specific terms in the LEC.

### ***Net neutrality***

Regulation (EU) 2015/2120 laying down measures concerning open internet access is directly applicable in Lithuania. Thus all communications service providers in Lithuania are under the obligation to treat all traffic equally, when providing internet access services, without discrimination, restriction or interference, and irrespective of the sender and receiver, the content accessed or distributed, the applications or services used or provided, or the terminal equipment used.<sup>18</sup> Observance of net neutrality and open internet access is supervised by the CRA.

### ***Unsolicited phone calls, faxes, emails and texts***

Lithuania has implemented the e-Privacy Directive 2002/58/EC<sup>19</sup> in the LEC. The LEC provides the same requirements regarding marketing communications for natural as well as legal persons. Under the LEC, the use of electronic contact details of a natural or legal person for direct marketing is allowed only with the person's prior consent (opt-in).

If a communications service provider obtains the electronic contact details (email, phone number) of a customer, who is a natural or legal person, in connection with selling a product or providing a service, such contact details may still be used for direct marketing of its similar products to the customer if the customer is given, upon the initial collection of electronic contact details and each time when the buyer's electronic contact details are used for direct marketing, a clear and distinct opt-out opportunity free of charge and in an easy manner; and the customer is allowed to exercise its right to refuse over an ECN.

The exemption described above does not apply to voice calls, or calls placed with automated calling machines.

## **iv Security**

Lithuania adopted the Law on Cyber Security in 2014,<sup>20</sup> which was recently amended to implement EU Directive 2016/1148 (the NIS Directive). The law provides for the requirements for the maintenance of network and information systems essential for the functioning of society and state and local authorities' network and information systems, liability and supervision as well as the bases for the prevention and resolution of cyber incidents.

The LEC provides the obligation for network service providers to retain certain electronic communication data for at least six months, for the purpose of investigation of serious crimes.

Since 25 May 2018, the General Data Protection Regulation (GDPR) became applicable in Lithuania. This was also of extreme importance in the communications sector,

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18 Articles 3 and 4 of Regulation (EU) 2015/2120.

19 Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (the Directive on privacy and electronic communications), as amended.

20 <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/f6958c2085dd11e495dc9901227533ee/aWQzaxBVgy>.

as the general rules set out in the GDPR are also applicable in the communications sector. In addition to the GDPR, Lithuania still has the Law on Legal Protection of Personal Data<sup>21</sup> as amended to comply with the GDPR.

In addition to the GDPR and the Law on Legal Protection of Personal Data, some data protection requirements are also set out in the LEC, in particular related to e-Privacy Directive implementation.

Minors are protected by the Law on Protection of the Underaged from Negative Impact of Public Information, which applies to TV, radio content, as well as advertising, trademarks, computer games and other public information.

## **IV SPECTRUM POLICY**

### **i Development**

The CRA has approved a number of plans for development of radio spectrums (3410–3600GHz, 380–385MHz, 390–395MHz, 220–2,300MHz, 2,500–2,690MHz, 2,300–2,400MHz, 3,600–3,800MHz, 790–862MHz).

There is a list of spectrum approved by the CRA, which can be used without authorisation.

Recently the government decided to open the spectrum at 700MHz, which will be used for 5G communication.

The 4G network was developed in Lithuania from 2014.

### **ii Flexible spectrum use**

There is a list of spectrum approved by the CRA, which can be used without authorisation.

### **iii Broadband and next-generation mobile spectrum use**

Spectrum for mobile networks is traditionally made available by auction to three operators.

Recently the government decided to open the spectrum at 700MHz, which will be used for 5G communication. It is expected to be launched by 2020.

### **iv Spectrum auctions and fees**

The latest spectrum auction was held in 2015 for 880–915MHz, 925–960MHz, 1,710–1,785MHz, and 1,805–1,880MHz, where the frequencies were assigned to three MNOs in Lithuania.

The next auctions for developing 5G are likely to be for spectrum around 700MHz.

## **V MEDIA**

### **i Restrictions on the provision of service**

#### ***Censorship***

Censorship of public information is prohibited in Lithuania. In order to ensure freedom of information, the LPIP prohibits exerting pressure on the producer or disseminator of public information, their participant or a journalist, compelling them to present information in the

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21 <https://www.e-tar.lt/portal/lt/legalAct/TAR.5368B592234C/VCRurdZydD>.



media in an incorrect and biased manner. The producer, disseminator of public information, their participant or a journalist shall have the right to keep the confidentiality of the source of information and not to disclose it, except where a court orders such disclosure.

### ***Restriction***

The LPIP prohibits publication in the media of information that:

- a* incites to change the constitutional order of the Republic of Lithuania through the use of force;
- b* instigates attempts against the sovereignty of the Republic of Lithuania, its territorial integrity and political independence;
- c* spreads war propaganda, instigates war or hatred, ridicule, humiliation, instigates discrimination, violence, physical violent treatment of a group of people or a person belonging thereto on grounds of age, sex, sexual orientation, ethnic origin, race, nationality, citizenship, language, origin, social status, belief, convictions, views or religion;
- d* disseminates, promotes or advertises pornography or propagates or advertises sexual services and paraphilias;
- e* promotes or advertises addictions and narcotic or psychotropic substances;
- f* is slanderous and offensive to a person or degrades his or her honour and dignity; or
- g* violates the presumption of innocence and impedes the impartiality of judicial authorities.

### ***Language requirements***

The LPIP requires public information to be produced and disseminated in the state language. Radio or television programmes that are broadcast in a language other than Lithuanian must be translated into Lithuanian or shown with Lithuanian subtitles, except for educational, occasional, special, music and rebroadcast foreign radio or television programmes or parts of programmes as well as programmes produced by broadcasters of radio or television programmes intended for the ethnic minorities of Lithuania. Broadcasters of television programmes are prohibited from showing audiovisual works that have been translated from an official EU language into a non-EU language. When rebroadcasting television programmes, rebroadcasters or other persons providing services of dissemination of television programmes or individual programmes via the internet for Lithuanian users must give priority to the official EU languages.

### ***EU content***

Broadcasters of television programmes must, where possible, reserve more than half of the television programme time remaining after deducting the time allocated for news, sports events, games and advertising programmes, teletext services and teleshopping for European works. Broadcasters of television programmes must, where possible, reserve at least 10 per cent of the television programme time remaining after deducting the time allocated for news, sports events, games, advertising programmes, teletext services and teleshopping for European works created by independent producers not earlier than within the past five years.

### ***Advertising restrictions***

Advertising and audiovisual commercial communications must be decent, correct and readily recognisable. It is prohibited to publish in advertising and audiovisual commercial communications information that degrades human dignity, promotes any discrimination based on race, sex or ethnic origin, nationality, citizenship, religion or belief, disability or age, or contains manifestations or promotion of sexual orientation, is offensive to religious or political convictions or promotes behaviour prejudicial to health or safety or behaviour grossly prejudicial to the protection of the environment.

Advertising of tobacco and alcohol products and audiovisual commercial communications intended for advertising of tobacco and alcohol products is prohibited.

The total time of television advertising spots and teleshopping spots within a given hour must not exceed 20 per cent.

#### **ii Internet-delivered video content**

Besides television services, on-demand audiovisual media services are becoming increasingly popular. On-demand audiovisual media services do not require a licence, but do require a notification to be submitted to the RTC.

Most of the biggest TV channels in Lithuania have started their own video distribution services. Internet news portals are also including video publications as part of their service.

## **VI THE YEAR IN REVIEW**

The most important changes in the legislation concerning the ICT sector in 2017 and 2018 are the GDPR and the Law on Cyber Security.

The GDPR became applicable on 25 May 2018, and required companies to adjust their data processing and gave people a greater control over the use of their personal data.

The Law on Cyber Security was updated to implement the Networks and Information Security Directive 2016/1148.

Significant recent transactions include the acquisition of previously Viasat-owned TV channels (TV3, TV8).

In March 2017 it was also announced that the Swedish media holding Modern Times Group had signed an agreement to sell its Baltic businesses to the US Providence Equity Partners. The value of the transaction was approximately €115 million. The transaction concerned the sale of three TV channels in Lithuania (TV3, TV8 and TV6), five TV channels in Latvia and three in Estonia. The sold entities form the third-largest commercial television operator in the Baltic region, nationwide commercial radio stations, digital assets and an online advertising consultancy operating across the Baltic region.

## **VII CONCLUSIONS AND OUTLOOK**

Generally, Lithuania follows the European policies and has successfully implemented the various pieces of EU legislation into national law.

It is likely that the government will continue its policy of supporting key technology areas.

In the telecommunications sector, the most important development in upcoming year should be the development of the 5G network.

# ABOUT THE AUTHORS

## STASYS DRAZDAUSKAS

### *Sorainen*

Dr Stasys Drazdauskas is head of the Sorainen technology, media and telecommunications sector group in Lithuania. He is a highly experienced lawyer, practising in intellectual property, information technology, dispute resolution and other practice areas.

Stasys advises companies involved in the media, retail and wholesale, financial services, pharmaceuticals, and consumer product manufacturing on matters related to intellectual property as well as information technologies and data protection. He helps strategise trademark registration and scope of protection, protects against IP infringements, advises on acquiring or commercialising IP rights, including copyright, trademarks, domain names, trade secrets and inventions.

Stasys is on the list of arbitrators recommended by the Vilnius Court of Commercial Arbitration.

In addition to his professional career, he is also active in the academic field and currently lectures on European private law at Vilnius University's Faculty of Law.

Stasys appears in the following directories: *Chambers Global* for dispute resolution ('His mind is very sharp and he is really talented,' say clients). Stasys is recognised for his growing arbitration practice and is noted for his particular focus on IP, IT and data-related corporate conflicts; *The Legal 500* for intellectual property and IT ('On the technology and telecoms side, Stasys Drazdauskas handles data protection and cloud law issues and is praised for his 'frankness and result-oriented approach'); *World Trademark Review 1000* recommends Stasys as a leading trademark professional; and Best Lawyers for intellectual property, information technology and media resolution.

**SORAINEN**

Kr Valdemāra iela 21

1010 Rīga

Latvia

Tel: +371 67 365 000

Fax: +371 67 365 001

[andris.taurins@sorainen.com](mailto:andris.taurins@sorainen.com)

[madara.melnika@sorainen.com](mailto:madara.melnika@sorainen.com)

[www.sorainen.com](http://www.sorainen.com)

**Law**  
**Business**  
**Research**

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