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Performance Audit Report

Management of licensing at the Independent Media Commission

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The National Audit Office, chaired by the Auditor General, will assist the latter in discharging his/her duties. Together, they contribute to the effective accountability in the public sector by promoting public transparency and goods governance as well as fostering the economy, effectiveness and efficiency of government programs to the benefit of all. The Auditor General is accountable before the Assembly concerning the discharge of duties and powers vested to by the Constitution and the Law and established by the sub normative acts and international public sector auditing standards.

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This audit was carried out in accordance with the International Standards of Supreme Audit Institutions (ISSAI 3000²).

Performance audits undertaken by the National Audit Office are objective and reliable examinations that assess whether government actions, systems, operations, programs, activities or organizations operate in accordance with the principles of economy³, efficiency⁴ and effectiveness⁵ and whether there is room for improvement.

The Auditor General has decided on the content of the draft audit report "*Management of licensing at the Independent Media Commission*" in consultation with the Assistant Auditor General, Myrvete Gashi Morina, who supervised the audit.

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¹ Law no. 05_L_055 on the Auditor General and the National Audit Office of Kosovo

² ~~ISSAI 3000 Standards and guidelines for performance auditing based on INTOSAI Audit Standards and practical experience~~

³ Economy – The principle of economy implies minimising the cost of inputs. Inputs should be available at the right time, quantity and quality and at the best price possible

⁴ The principle of efficiency implies achieving the maximum from the available inputs. It relates to the relationship between input and output in terms of quantity, quality and time

⁵ Effectiveness - The principle of effectiveness implies the achievement of set objectives and the achievement of expected outputs.

TABLE OF CONTENT

Executive Summary.....	1
Introduction.....	3
Audit objectives and questions.....	4
1. Audit findings.....	5
3.1 Weaknesses in the licensing process of audio and audiovisual media service providers by the IMC.....	6
3.1.1 Failure to meet the criteria of licensing of distribution operators for audio and audiovisual media services providers.....	7
3.2 Problems in the license renewal process by IMC for media service providers.....	8
3.2.1 Nonadherence to the renewal deadlines.....	8
3.2.2 Nonadherence to material provisions.....	9
3.2.3 Inconsistency by IMC in giving recommendations for the renewal of media licenses.....	11
3.2.4 Delayed decision-making in IMC for license renewals.....	12
3.3 Failures in the suspension and revocation of licenses by IMC and debts accumulated by SPs.....	12
3.4 Poor collection of SPs debts by IMC.....	19
3.5 Revocations of licenses of media service providers by IMC.....	21
4. Conclusions.....	24
5. Recommendations.....	26
I. Annex I. Audit criteria, scope and methodology.....	27
Audit motive.....	27
Audit criteria.....	27
Audit scope.....	31
Audit methodology.....	31
II. Annex II. Detailed cases of debts, including their nature and values.....	32
Annex III. Letter of Confirmation and comments of the auditee.....	35

List of abbreviations

IMC	Independent Media Commission
SP	Service Provider
PSP	Program Service Provider
AR	Accounts Receivable
AMSP	Audio Media Service Provider
AVMS	Audiovisual Media Service
MSP	Media Service Provider
LD	Licensing Department

Executive Summary

The National Audit Office conducted the performance audit *“The Management of licensing at the Independent Media Commission”*. The Independent Media Commission is responsible for regulating media activities in the country. The objective of this audit was to assess the processes and procedures of the Independent Media Commission regarding media licensing, collection of license fees and fines imposed on the media. Additionally, the aim was to identify the reasons behind the difficulties faced by the Independent Media Commission in the renewal of media licenses and fund collection, particularly due to the non-fulfilment of financial obligations.

The Independent Media Commission along with its responsible departments were subject to this audit, which covered the 2008 – 2022 period.

The management process of licenses for Service Providers by the Independent Media Commission is characterised by weaknesses, leading to non-application of criteria for media activities. Media outlets operate without fulfilling annual fee obligations over the years, and the suspension of media licenses is not implemented by the Independent Media Commission, resulting in the accumulation of debts. The lack of timely and proper monitoring of the media and the failure to take concrete steps against those media outlets that do not adhere to criteria and avoid annual fee payments have also contributed to debt accumulation. There are significant delays in debt collection, and issues in the internal controls of the Media Authority have been identified.

Audio and audiovisual media distribution operators and service providers have been licensed without meeting the criteria. In the evaluation of applications submitted for broadcast licenses, the Independent Media Commission failed to consider all criteria as stipulated by the regulations. Out of a total of 21 samples analysed for service providers, in ten cases, it was observed that the criteria were not met according to the respective regulations, failing to fulfil criteria such as tax verification, and the lack of a university diploma in one case. Out of the ten samples analysed for distribution operators, six of them did not meet all the criteria as envisaged by the respective regulations, where valid agreements on broadcasting rights for certain channels considered obligatory for broadcasting are missing.

The renewal of licenses for media is accompanied by significant deficiencies that jeopardize the integrity of the licensing system in Kosovo. Media outlets have consistently failed to adhere to the 60-day deadline for license renewal applications, and despite financial violations, regulatory authorities have not imposed punitive measures. There is consistent lack of recommendations for the extension or revocation of licenses, leading to subjective interpretations. In the decision-making process for the renewal of licenses, there were significant delays, mainly due to the lack of quorum in the Independent Media Commission, adversely affecting operators and broadcasting services. These issues impact the license renewal process and the integrity of the licensing system in Kosovo.

The debt collection from the media and the suspension-revocation of their licenses have not been timely and properly executed by the Independent Media Commission. This process is characterized by weaknesses in collecting debts from media service providers by the Independent Media Commission, including problems with the delayed response of the Independent Media Commission, non-compliance with

legal procedures, and weaknesses in internal control. The regulatory authority faced challenges in suspending the licenses of media service providers, as the processes for license suspension have not been carefully observed. Also, the lack of proactive monitoring by the regulatory authority in enforcing the financial obligations of media service providers and their broadcasting status has led to the accumulation of debts. Furthermore, the regulatory authority failed to establish a clear mechanism for the temporary suspension of licenses, contributing to financial challenges for both the regulatory authority and media service providers.

The audit findings indicate that issues related to the Management of licensing by the Independent Media Commission require immediate improvement, and 5 recommendations have therefore been given. The list of recommendations is presented in Chapter 5 of this report.

Response of the auditees

The Independent Media Commission have agreed with the audit findings and conclusions and have committed to address all the recommendations given, except for some of the findings the comments on which are presented in Annex III.

Introduction

Media, as a primary source of information, plays a crucial role in our society, influencing public opinion and the development of culture and identity. In Kosovo, the media have become an important part of daily culture and communication for people, with a significant impact on all areas of social life.

The institution responsible for media licensing in our country is the Independent Media Commission (hereafter IMC), which ensures that all companies offering media services are equipped with the necessary licenses and that these licenses comply with legal criteria⁶. Licensing ensures that the media meet the necessary quality standards and fulfil the requirements stipulated in the relevant legislation and criteria that the IMC can establish through a fair and transparent competitive procedure.⁷

IMC ensures that the media provide accurate and important news to the public. Furthermore, licensing helps to increase fair competition and prevent the monopolization of the media field.

IMC should take legal action if media outlets do not pay their licensing fees. This may include a suspension of media activities and the payment of outstanding liabilities to protect the interests of authors.

Below are presented the values of annual media fees, including program operators, distribution operators and service providers.

Table 1. Annual license fee level for terrestrial broadcasting entities for 2010.⁸

Type of terrestrial broadcasting entities	A ⁹	B ¹⁰	C ¹¹	D ¹²	Annual amount in Euro
Low-power radio	20	1	1	1	240
Low-power TV	20	1	1.5	1	360
Local radio	20	1.5	1	1.5	540
Local TV	20	1.5	1.5	1.5	810
Regional radio	20	3	1	1.75	1.260
Regional TV	20	3	1.5	1.75	1.890
National Radio	20	21	1	2	10.080
National TV	20	21	1.5	2	15.120

⁶ Law No. 04 L-44 on the Independent Media Commission, Article 3, Article 5 paragraph 3.

⁷ Law No. 04 L-44 on the Independent Media Commission, Article 22, paragraph 2.

⁸ IMC Regulation.

⁹ Base value expressed (A) – calculated based on the overall annual budget divided by the number of licensed terrestrial broadcasting entities, the number of days in the year, and by 24 hours.

¹⁰ Average number of remaining residents (B).

¹¹ Types of terrestrial broadcasting entity (C) – radio and TV; and

¹² The category of broadcasting entity (D).

From preliminary assessments, it has been observed that from 2009 (when media licensing began) to 2022, media outlets have obligations for license fees and fines towards the Independent Media Commission (IMC), which have the status of receivables but have not been paid by Media Service Providers (MSP) to the IMC. These arise from non-payment of obligations for license fees, interest and fines.

Audit objectives and questions

The audit objective is to assess the IMC processes and procedures regarding media licensing, monitoring and the collection of license fees and fines from the media. Additionally, the aim is to identify the reasons for the difficulties faced by the IMC in the renewal of media licenses and fund collection, particularly due to the non-fulfilment of financial obligations.

Audit questions

To answer the audit objective, we have posed the following audit questions:

Has IMC ensured that the processes and procedures for licensing and re-licensing have been properly implemented, and have concrete steps been taken against media and audiovisual service providers who have not paid the fees and have acted contrary to the criteria and rules for service provision?

As part of the audit scope, the Independent Media Commission has been focused on: the Licensing Department, the Department of Media Monitoring and Analysis (DMA), and the Legal and Finance Department. The audit scope covered the period from 2008 to 2022.

The audit methodology and scope are presented in Annex 1.

1. Audit findings

The IMC, as the primary authority for media operation, aims to regulate and manage the spectrum of broadcasting frequencies and collect fees for the use of these broadcasting frequencies. The IMC is responsible for licensing public and private broadcasters and ensuring compliance with European standards.

The Licensing Department (LD) within the IMC reviews and processes applications for new licenses from the audio and audiovisual media service providers and distribution operators. To apply for a media license, companies must meet certain criteria, including a detailed business plan, a programming plan, and a professional and trained staff.¹³ Media outlets are obligated to request the renewal of licenses 60 days before their expiration. During the renewal process, the IMC assesses whether the media outlets comply with the criteria and comply with the payment of fees and fines. If media outlets do not fulfil their obligations, the IMC has the authority to suspend or revoke their licenses.

Obligations for the annual license fee for the period 2011-2013 were processed for enforcement before the Basic Court, while for 2014-2022, they have been processed by a private enforcement officer.

The IMC Legal Department in 2022 submitted 50 Audiovisual Media Services Provider (AMSP) for enforcement who have not paid the license fee for 2022. Similarly, ten cases for non-payment of fines imposed by the IMC have been submitted for enforcement.¹⁴

Audit findings reveal a complex process in the functioning of electronic media and the regulation of their activities. These challenges are directly related to the omissions by the media regulatory authority - IMC on one hand and the neglect and non-compliance with criteria and rules by the media on the other hand.

For a long period, the IMC has allowed debts to accumulate related to non-payment of the annual fee and fines by the media, being very reserved in utilizing legal mechanisms and making decisions to hold the media accountable. Also, the process of licensing, renewal and monitoring of the media is characterized by deficiencies.

Below are the findings resulting from the analysis and evaluation of documentation, process auditing, testing and interviews with responsible officers in the field. In accordance with professional standards, the report does not mention service providers by their names but refers to them as SPs and by ordinal numbers. The collected evidence has served in drawing conclusions presented in Chapter 4 and recommendations for improving processes presented in Chapter 5.

¹³ IMC Regulation 2013/04 on the issuance of licenses.

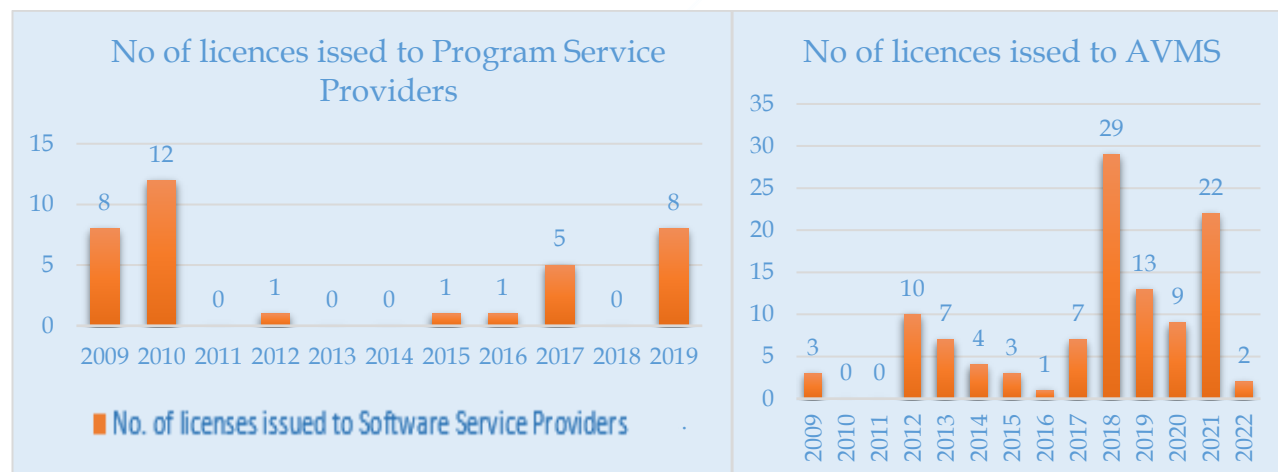
¹⁴ IMC Annual Work Report 2022, page 49.

3.1 Weaknesses in the licensing process of audio and audiovisual media service providers by the IMC

Audio and audiovisual media service providers can submit applications without competition at any time to the IMC, while terrestrial broadcasting is done through a public competition procedure¹⁵. During the assessment of applications submitted for broadcasting licenses, the IMC considers criteria such as the capacity for the development of the applicant's program; the origin and degree of the applicant's financial resources; the financial feasibility of the applicant's proposal; the technical capacity of the applicant to offer quality broadcasting, the need to ensure a diverse program for all citizens of Kosovo. The IMC must issue decisions on the refusal or non-renewal of the license for the audiovisual media service provider, and such decisions must be reasoned in writing and delivered to applicants through the Executive Office¹⁶.

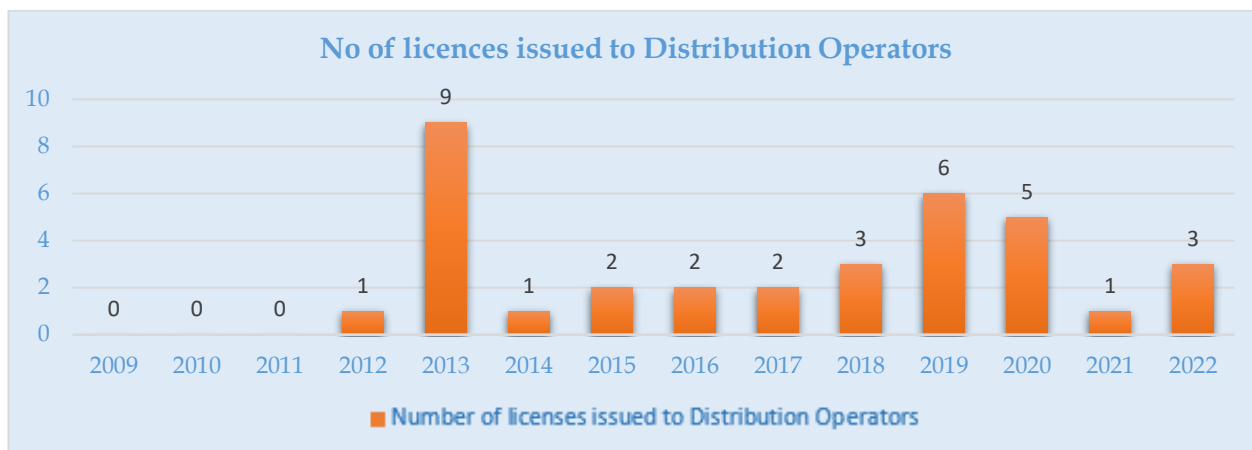
The process of issuing licenses started in 2009, and until 2022 a significant number of licenses for distribution operators, audiovisual services and licenses of Program Service Providers (hereinafter PRSP) have been granted by IMC. In charts 1 and 2, 36 licenses for MSPs, 110 licenses for audiovisual media services (hereinafter: AMS), and 35 licenses for distribution operators (hereinafter: DO) have been presented over these years.

Chart 1. Program Service Provider Licences and Licences issued for Audio Visual Media Services during 2009 – 2019/22.



¹⁵ Regulation on Audio and Audiovisual Media Service Providers 2021, Articles 8 and 11.

¹⁶ IMC Annual Work Report for 2021, page 56.

Chart 2. Distribution Operator Licenses during 2009 – 2022.

Out of a total of 21 samples analysed and tested for the licensing procedure of audio and audiovisual media service providers, in ten cases, it was observed that the criteria were not met according to the respective regulations. In nine cases, the criterion for tax compliance¹⁷ was not fulfilled, such as a tax certificate, and in one case, the criterion for a university diploma was not met¹⁸. This occurred because the above-mentioned criteria were not considered important enough by the IMC officers. The justification by IMC officers was that diplomas from vocational high schools have been considered equivalent to university diplomas. The above-mentioned criteria were not considered important enough by the IMC officers.

Failure to meet the criteria in the licensing process, besides being non-compliant with IMC internal legislation and regulations, puts IMC at risk of licensing media that have outstanding tax liability and, consequently, financial problems. Also, on the other hand, the engagement of unqualified individuals, as required with a university diploma, jeopardizes the professional activity of the media.

3.1.1 Failure to meet the criteria of licensing of distribution operators for audio and audiovisual media services providers

In order to ensure public access to audiovisual media service providers offering program content in their general interest, and to promote and ensure media pluralism, licensees are subjected to the obligation of mandatory broadcasting licensing¹⁹.

For the licensing of distribution operators providing audiovisual media services, evidence is required regarding the willingness to ensure valid agreements on the broadcasting right for all commercial channels that will be an integral part of the catalogue and the provision of the channel catalogue, signed by the applicant, based on which the license from the IMC will be issued²⁰.

¹⁷Regulation CIMC 2009/02 on qualifications for a license, Tax Compliance Report.

¹⁸ Regulation 2017/02.

¹⁹ Internal Regulation KPM-2016/01, Article 9. Point 1.

²⁰ IMC-2016/01 (Annex), Article 3, points 6&7.

Out of a total of 38 licenses issued by IMC to Distribution Operators, ten samples were tested for the licensing procedure. Out of these ten samples, in six cases, all the criteria were not met as anticipated by the respective regulations.

Out of 10 samples tested, in six cases, valid agreements on the broadcasting rights are missing (for certain channels deemed mandatory/basic for broadcasting, such as SO12, SO21, etc.). In three out of these six cases, four such agreements are missing.

In two cases, two channels from the mandatory list (SP12, SP 21, etc.) were not presented at all on the channel list; also, contracts were missing, and in one case, there was no contract with MSP.

This occurred because IMC officers considered only the regulations sent to distribution operators as sufficient, neglecting the requirements for licensing.

Non-compliance with licensing criteria not only goes against the legislation and internal regulations of IMC but also affects the promotion and assurance of media pluralism.

3.2 Problems in the license renewal process by IMC for media service providers

This chapter includes findings related to the process and adherence to renewal deadlines, compliance with material provisions, issuance of recommendations by IMC for media license renewals, and decisions on license renewals.

3.2.1 Nonadherence to the renewal deadlines

Media outlets submit an application for license renewals within 60 days before the license expiration. This process involves submitting an application and paying a fee of €100 ²¹. Within thirty (30) days after the application deadline, IMC decides, based on competition criteria, whether to issue or renew a license to an applicant²².

The legal basis for license renewal stipulates that renewal can only occur through a request from operators and cannot be renewed in case of material provision violations by the service provider.²³

Over the years, a total of 37 licenses for AMSP and SP have been issued, of which 21 licenses have been analysed and assessed.

Initially, it was analysed whether the renewal application was submitted within the specified deadline (60 days before the license expiration)²⁴. It was also evidenced there were violations of material provisions regarding licensing criteria, including evidence of payment of the annual fee of €100 included in the renewal application. Additionally, the document/recommendation of the Commission, which decides on the license renewal, was also analysed.

²¹ Regulation on the Annual License Fee 2017/06, Article 2.

²² Law on IMC, Article 23, point 3.

²³ Law on IMC, Article 22.

²⁴ Law on IMC, Article 5

We have assessed that a significant number of SPs have failed to meet the deadline of at least 60 days before expiration. Out of 15 SPs, six of them²⁵ have not submitted their renewal applications within the deadline. Despite this, IMC has not imposed disciplinary measures or applied warnings to the providers.

While IMC is cautious in reminding the licensees of the possibility and deadline for submitting renewal applications, it is not legally obliged to do so. Although licensees have submitted their applications along with written justifications for delays, IMC's practice is not to impose disciplinary measures for late renewals, fostering an understanding atmosphere with SPs.

The finding regarding the late submission of renewal applications by SPs, accompanied by the lack of enforcement measures by IMC, has several consequences. Firstly, there is a risk of interruption of broadcasting services by SP to clients, as delayed applications increase the likelihood of temporary interruptions and suspensions by IMC. Secondly, the time during which SP is considered without a license after making a delayed application, ventures that SPs in the meantime may violate the criteria, and as a result, there will be no legal basis for penalties and other actions. This risks that the IMC does not have under its supervision the SP operating with an expired license. The IMC's practice of not imposing disciplinary measures for late renewal applications may result in SPs not fully appreciating the need to strictly adhere to the renewal deadline.

3.2.2 Nonadherence to material provisions

IMC is responsible for monitoring the fulfilment of obligations by licensed operators, and in cases where operators fail to meet their financial responsibilities and others, IMC must review these cases. Upon submitting an application for license renewal for AMSP and SP operators, they are required to pay administrative fees²⁶, annual fees, and any outstanding fines (material provisions) accumulated over the years²⁷.

Violations of material provisions by SPs have been identified during the license renewal process. The data analysis reveals that 5²⁸ out of 15 SPs had outstanding annual fees for licenses and unpaid fines at the time of license renewal applications. Furthermore, in some cases, these outstanding fees and fines had accumulated over several years. SP 8 had outstanding annual fees for the license amounting to €3,390 since 2015, and SP 9 had outstanding fees totalling €5,280 from the same year until 2022. Additionally, in 2021 alone, SP 10 received four penalty decisions for violations of criteria, totalling €14,374.20.

In this regard, IMC had proceeded through a private enforcement agent for the collection of financial liabilities. The private enforcement agent assumed the responsibility for covering the accounts and collecting the outstanding debts from SPs on behalf of IMC. Despite the legal authority allowing IMC to issue written warnings or impose fines for license condition violations, none of these measures were taken in any of these cases.

²⁵ (1, SP 2, SP 3, SP 4, SP 5 and SP 6).

²⁶ Regulation on the Annual License Fee 2017/06, Article 2 and Article 14

²⁷ Law on IMC, Article 25

²⁸ (SP 1, SP 7, SP 8, SP 9 and SP 10)

In the license renewal process, four SPs did not provide evidence of paying the annual administrative fee of €100, while the renewal process continued on IMC's part. However, through the finance department within IMC, we have obtained such pieces of evidence demonstrating that the payment has been made²⁹.

The lack of assurance and verification of payments directly affects the accuracy and completeness of the license renewal documentation, leading to delays in processing renewal applications, as the absence of necessary payment evidence requires additional verification steps.

The reason for IMC's decision not to impose fines during the license renewal process for violations of material provisions related to unpaid annual fees and other fines for violations of the rules while broadcasting can be attributed to several ongoing issues, such as:

- According to IMC, imposing fines for violation of license conditions (non-payment of annual fees) only deteriorates the financial burden on licensees.
- IMC believes that penalizing with interest for unpaid fines also financially burdens the licensee, while IMC's goal is to encourage compliance and the settlement of fees instead of imposing punitive fines that may further deteriorate the financial situation of licensees.

The IMC's decision to allow license renewal even with unpaid financial liabilities, along with instructions for licensees to settle their debts or face legal proceedings with private enforcement agents, is seen by IMC as a balance between enforcing compliance and giving licensees a chance to correct their financial situation without prematurely affecting their transmission status. Regarding the administrative fee of €100, the parties have made the payment but have not provided the necessary evidence to verify the completion of this payment.

In some cases, the evidence has been sent via email but has not been properly stored or made available in their file. Payments have been verified in each case through the financial system linked to the execution of such payments. Initially, the Finance Division within IMC confirmed that the payment was made, and then, based on the verification, the application or case was recommended or not recommended for further treatment.

Failure to meet the criteria regarding the license renewal application by SPs and non-compliance with the law by IMC brings about several consequences:

- undermines the integrity of the licensing process,
- creates unfair advantages among SPs,
- weakens the regulatory authority of IMC, and
- accumulates outstanding annual fees and fines over the years, as observed in the cases of SP 8 and SP 9.

This not only indicates a lack of financial responsibility on the part of SPs but also constitutes a financial burden for IMC. The use of mechanisms such as courts and enforcement agents highlight

²⁹ (SP 9, SP 5, SP 10 and SP 25).

the IMC's inability to effectively collect outstanding fees and enforce financial accountability. This undermines the regulatory authority of IMC and raises concerns about its capacity to ensure compliance with licensing requirements.

3.2.3 Inconsistency by IMC in giving recommendations for the renewal of media licenses

The evaluation and recommendation of license renewal requests are conducted by the IMC Commission. The process for assessing license applications for audiovisual media services and license renewals shall be fair and transparent. The IMC decisions shall provide reasons in writing to all applicants whose applications for a license for audiovisual media services or renewal are refused and they shall be submitted to applicants through the Executive Office³⁰.

In the selected samples, we have not found any cases where the recommendation for renewal was missing. However, the IMC Commission had provided various and sometimes insufficient reasons for the recommendations for license renewal. In cases where the SPS were in compliance, the reasons accurately reflected their adherence to material provisions and financial obligations³¹. However, in cases of non-compliance or irregular financial fulfilment, the justifications were lacking and did not provide a fair and accurate assessment.

These represent changes and inconsistencies in the IMC recommendations and decisions regarding the renewal of licenses for SPs. IMC has relied on the interpretation of the decision³², which allows the renewal of the license even in cases of unpaid financial liabilities, and has instructed them to settle the liabilities; otherwise, they will be enforced through the legal proceedings of the private enforcement agent³³. However, IMC has not provided a specific explanation regarding different justifications in recommendations based on whether the applicant has fulfilled its financial liabilities or has violations that may hinder the renewal.

This inconsistency in providing recommendations in decisions diminishes the transparency and fairness of the renewal process. This practice, in some cases where recommendations are given but not in others, undermines the integrity of the decision-making process.

Additionally, the lack of standardized decisions in cases of financial violations raises concerns about equal treatment among media operators. This may lead to situations where operators facing similar violations or financial issues receive different treatment based on subjective interpretations of the decision. Furthermore, relying solely on the renewal request as the basis without scrutinizing their financial liabilities may result in inadequate supervision of media operators and the continuation of transmission by media outlets facing violations or financial difficulties. Consequently, these consequences may impact the accountability and credibility of the licensing and renewal process overseen by IMC.

³⁰ Law No. 04-L-44 on IMC, Article 24

³¹ SP 2.

³³ IMC Decision V3-2016.

3.2.4 Delayed decision-making in IMC for license renewals

Significant delays have been identified in the decision-making process for the renewal of licenses by IMC. According to the specified deadline, a decision should be made within 30 days after the application date. However, out of the 15 samples analysed, eight³⁴ of them experienced delays ranging from three months to one year. Additionally, two³⁵ public SPs have not yet received any decision as of 12.08.2022.

Reasons for significant delays in the license renewal decision-making process are attributed to the lack of quorum within IMC. This quorum deficiency hindered IMC's ability to make decisions during this period. Consequently, license renewal applications requiring IMC decision-making could not be examined and addressed in a timely manner. This delay was further exacerbated in cases where renewal applications were submitted late, worsening the overall delay in decision outcomes. Additionally, the postponement of cases for two public SPs due to outstanding financial liabilities demonstrates how administrative and financial issues can contribute to dragging out the decision-making process.

Delays in decisions by the IMC Commission exceeding the prescribed 30-day deadline impede the normal functioning of broadcasting services and may disrupt the continuity of operators. These delays impact and reduce the efficiency of the license renewal process. In cases where there are delays of up to a year, it is indicative that these SPs continue their broadcasting activities without an approved license.

These delays in license renewals include potential interruptions of broadcasting services, the inability to monitor, and the regulator's inability to sanction in case of regulatory violations or breaches of working conditions, undermining the overall integrity of the regulatory body and risking the transmission of prohibited audio-visual programs.

3.3 Failures in the suspension and revocation of licenses by IMC and debts accumulated by SPs

The annual license fee for all categories of IMC licenses shall be deposited into IMC's bank account by June 30 of the respective year³⁶. In the case of licensing, the first license fee shall be paid no later than 14 days from the receipt of the licensing decision, while the calculation of the annual license fee shall be done from the month in which the licensing decision is made³⁷.

Licensed entities must operate in accordance with international best practices, broadcasting policies, full compliance with all bylaws, as well as the terms and conditions of the license³⁸. IMC shall be responsible for collecting frequency usage fees from all AMSPs³⁹.

³⁴ SP 2, SP 3, SP 4, SP 11.

³⁵ SP 8 and SP 9.

³⁶ Regulations 2017/03 and 2017/06.

³⁷ Paragraph 1.6, Article 30 of the Law "terminate or refuse the continuation of the broadcasting license"

³⁸ Law No. 04 L-44 on Independent Media Commission, Article 22, Applications for Broadcasting Licences. Article 21.

³⁹ Law No. 04 L-44 on Independent Media Commission, Article 22, Applications for Broadcasting Licences. Article 3.

Non-payment of the license fee to IMC may result in the imposition of sanctions on the broadcasting entity and could potentially lead to the revocation of the license⁴⁰.

The outstanding liabilities/ debts of SPs to IMC, categorized as receivables, amount to €795,970, and these have remained unpaid throughout 2009 - 2022⁴¹ period due to the non-payment of liabilities for the license fee, interest and fines.

Chart 4. Receipts from fines, license fees, license revenues and invoices issued for 2021 and 2022.

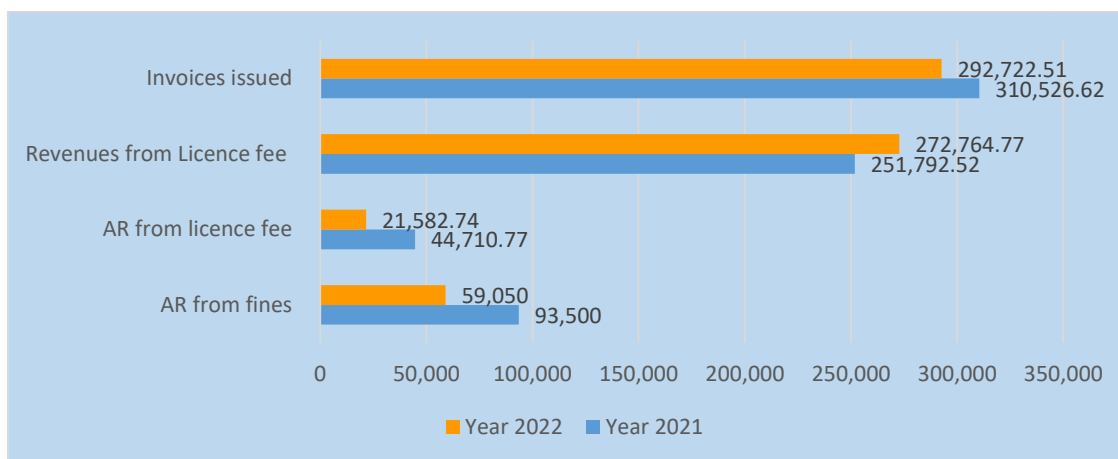


Chart 4 illustrates the accumulated debts resulting from the non-payment of annual license fees and fines for violations of criteria by SPs for 2021 and 2022.

For violations of license conditions, the Code of Conduct and other legal acts in accordance with the Law on IMC⁴², IMC must issue written warnings or impose one or more of the following sanctions on licensees: impose a fine of not less than one thousand (€1.000) Euro and not more than one hundred thousand (€100.000) Euro⁴³.

The Licensing Department within ICM should initiate court cases and utilize other mechanisms (such as enforcement agents) to collect revenues from taxes and fines from SPs. The Appeals Board decisions shall be final and subject only to the procedural review of the Supreme Court of Kosovo in accordance with applicable law.⁴⁴ For subsequent years, the tax must be paid no later than 20 days after the start of the calendar year.⁴⁵ Annual fees for issuing a license for the transmission of radio and television signals must be paid no later than the 5th day of the current month. Delays in paying the tax also incur penalties, and failure to pay the tax may result in the sanctioning of the entity, including license revocation⁴⁶. The lack of regular monitoring and assessment of the SP's status has prevented IMC from timely evaluating and considering OSH applications for license suspension and revocation, leading to the accumulation of debts. AMSPs must submit an annual

⁴⁰ Regulation 2010 on the level and manner of payment of the license fee for audiovisual media services, Article 5, p. 4.

⁴¹ IMC Annual Report for 2022.

⁴² Law No. 04 L-44 on Independent Media Commission, Article 29.

⁴³ IMC Guidelines on the Implementation of Licensee Sanctions, p. 1 and 6. s

⁴⁴ Law No. 04 L-44 of Independent Media Commission, Article 44.

⁴⁵ CIMC's decision on the level and method of determining the fee for licensing cable operators and cable program service providers.

⁴⁶ Regulation on Annual Fees 2007, p. 5, Article 6, and Regulation on Fees 2008, p. 5, and Regulation 2010, p 4.

report to IMC, including information about the program and activities in compliance with license conditions, along with a detailed financial report and other legally required information⁴⁷.

We have analysed 61% or €460,837 out of the total debt of €795,970, where findings related to the non-payment of annual fees and the non-payment of fine debts during 2009-2022 have been identified.

Table 2 presents the debts of the cable operators, while additional information regarding the nature of fines and fees is presented in Annex II.

⁴⁷ Law No. 04/L-44 on the Independent Media Commission, Article 28

Table 2. SPs' debts to IMC for annual fees, fines and interest during 2008-2022.⁴⁸

Service Provider	Licensing date	Total accumulated debt 2009 – 2022 in Euro	Annual tax debt in Euro	Debt from fines in Euro	Current status of the cases against SP	
SP 26	2008	13,000		€13,000. Violation of the program criteria of the Regulation on Commercial Communications.		
SP 13	2010	16,463		License violation and violation of the Law on General Elections.	Proceeded with the enforcement agent	
SP 14	2008	14,733		€45,000 was the initial fine for violating the criterion for commencing the program broadcasting without copyright.	A remaining debt of €14,733 persists as the obligations were not fulfilled, and the case is now with the court.	
SP 15	2009	26.430		Debt from 2017 to 2021 violations of various regulations, such as violations of the Law on Elections and the regulation on commercial audiovisual communications.		Non-application of progressive fines.
SP 16	2009	8.172	7.162	€1,000 fine from 2012 to 2022 for breaching license criteria such as changing the transmitter's location without prior approval. One of the reasons for the debt is the non-submission of the annual report.	The case is with the court and enforcement agent.	

⁴⁸ Reports and data from IMC during 2008-2022.

ZYRA KOMBËTARE E AUDITIMIT - NACIONALNA KANCELARIJA REVIZIJE - NATIONAL AUDIT OFFICE

SP 17	2009	10.072	9.072	The €1,000 is related to the violation of the law for not submitting the annual report.	The case is with the court and enforcement agent.	
SP 18	2016	2.000		Violation of the Law on IMC for retransmission of channels without a valid agreement and for failing to submit the report. The fines are in 2022.		
SP 19	2010	11.364	10.364	€1,000 for failing to submit the annual report.	The case is with the court and enforcement agent.	
SP 20	2010	10.111	7.111	€3,000 fine for violating the Law on Elections in Kosovo and failing to submit the annual report.		
SP 21	2009	15.638	4.638	€11,000 fines for violating the audiovisual commercial communications, and product placement.		
SP 22	2008	14.374		For violation of the regulation on commercial communications and violation of the Law on General Elections, violation of the Code of Ethics, and violation of the regulation on commercial and audiovisual communications.		
SP 23	2015	46.477	46.477		Proceeded with the enforcement agent	
SP 24	2008	20.000	20.000		Proceeded with the enforcement agent.	

SP 14 - licensed in 2008, another media entity that violated license conditions, had a debt to IMC amounting to €14,733 starting from 2013. Initially, IMC issued a fine of €45,000 to this SP for the breach of the criterion for commencing program broadcasting without copyright. As a result, IMC entered into an agreement with SP to pay the debt in instalments without any clear legal basis.

By June 2023, SP 14 did not fulfil all financial liabilities to IMC, remaining with a debt of €14,733, and the case is with the court.

SP 12 - licensed on 28 August 2009, has a total debt to IMC of €252,000 (for all channels of SP 12). This debt is due to non-payment of annual fees over the years and non-payment of fines.

We analysed three fines with larger values of SP 12 during 2010. In March 2010, SP 12 was fined €50,000 for commercial communications, and another fine of €25,000 for product placement. In November 2010, the Media Appeals Board decided to reduce the fines from €50,000 to €45,000 and from €25,000 to €20,000. Another fine was imposed in September 2010, amounting to €50,000, also related to commercial communications. However, in December, the Media Appeals Board decided to reduce this fine from €50,000 to €40,000. The total value of these fines in 2010, after the reduction, was €105,000. In November 2013, the Independent Media Commission received a request from SP 12 to enable the payment of the total fine in instalments, starting from 2014, at €35,000 instalment per year, with the reasoning that SP 12's financial situation is not good. However, the Appeals Board, in agreement with the complaining party in 2015, decided to further reduce these fines (the first fine from €50,000 to €35,000, the second fine from €25,000 to €15,000, and the third fine from €50,000 to €35,000), making the total fines for these three cases €85,000 and allowing them to pay the debt in instalments, but without a clear legal basis.

In 2017, SP 12 was fined €1,000 for broadcasting political spots with payments that were not identified as sponsored. IMC assessed that SP 12 violated its editorial policies because the published news lacked information content and had tendentious purposes to undermine and denigrate personalities. In 2018, IMC notified RTK through a letter that it accepted the complaint and requested clarification regarding the allegations. IMC also monitored SP 12, and based on the monitoring report in 2019, it found that it acted against the Code of Ethics and notified the party, sanctioning it with a fine of €5,000.

Similarly, in 2021, IMC found that SP 12 had violated the provisions during the coverage of the 2021 local elections campaign.

In September 2021, following the monitoring, IMC found that SP 12 continued to be in violation of the Law on General Elections⁴⁹ in the Republic of Kosovo. Furthermore, IMC informed SP 12 of the findings and requested it act in compliance with the law. In October 2021, IMC found that SP 12 again continued to violate the same provisions. Additionally, in October 2021, IMC found that SP 12 had breached the IMC Code of Ethics⁵⁰. Due to the violation of criteria such as the protection of children's rights and others, a fine of €2,000 was issued.

⁴⁹ Law on General Elections, Article 49, paragraph 6 of Chapter VIII.

⁵⁰ IMC Code of Ethics 2016/03, Article 9 paragraph.

Based on the above-mentioned findings, the reasons we received from IMC for imposing various fines indicate that the Commission is the one deciding what fines to impose on SPs, considering the severity and repetition of violations. Initially, a lower fine was imposed on the SP, and if the SP did not take steps to avoid repeating the same violation, a higher fine was imposed by the Commission. The Commission has attempted, in certain cases, to impose fines progressively. However, it has been observed that in one case, despite higher fines for the same violation in previous years, the Commission decided to impose a lower fine, even though the violation reoccurred later.

It is assessed that this may be influenced by the Law on IMC, which does not clearly specify the amount of fines but leaves the possibility of sanctions ranging from €1,000 to €100,000 and gives the Commission discretion in determining the fine.

Regarding the lack of suspensions and revocations of licenses for SPs that have not paid annual license fees and fines, IMC has provided reasons stating that steps have been taken to revoke the licenses of some SPS that did not adhere to the criteria for violating regulations or not paying debts. However, it has been noticed that such cases occur when audiovisual service providers have not transmitted and have no media activity, leading IMC to suspend/revoke the license. For SPs that were subjects of audits and assessments, we realize that IMC has not taken any such steps for suspension or revocation due to debts owed to IMC.

In this regard, IMC has provided the reason that IMC was not inclined to revoke or suspend media licenses. However, it has allowed certain SPs to settle accumulated debts over the years due to the lack of payment of annual fees and fines through instalments.

It is worth noting that on 19 July 2023, IMC issued a decision regarding SP's debts, stating that all licensed entities must pay outstanding fees or fines within 30 days of the entry into force of this decision. They can also enter into agreements with private enforcement agents to ensure the fulfilment of their financial liabilities to IMC within 12 months from the entry into force of this decision. If licensed entities fail to comply with these conditions, their license may be suspended or not renewed according to the Law on IMC.

In cases where SPs have not submitted annual and financial reports, IMC justifies imposing fines under the regulation for non-compliance with this criterion, allowing SPs to continue their media activities without fulfilling this important criterion in the coming years. Even in cases where SPS have submitted annual reports to IMC, it is assessed that these reports do not provide sufficiently detailed data to indicate the financial situation of SPs. Furthermore, IMC has not taken any concrete steps to cross-check through the Kosovo Tax Administration (TAK) to assess whether the presented data is accurate or to ensure through TAK the financial situation of SPs, and in addition to take decisions on suspension or revocation of licenses. We can conclude that IMC has not used its internal mechanisms to prevent the current situation created by debts.

Some audiovisual media SPs have faced suspension or revocation due to inactivity, while others have not. As a result, there are accumulated debts from SPs over the years, and IMC has been unable to collect them effectively, either through payment agreements or through enforcement. Furthermore, this less rigorous approach towards SPs that fail to submit their annual and financial

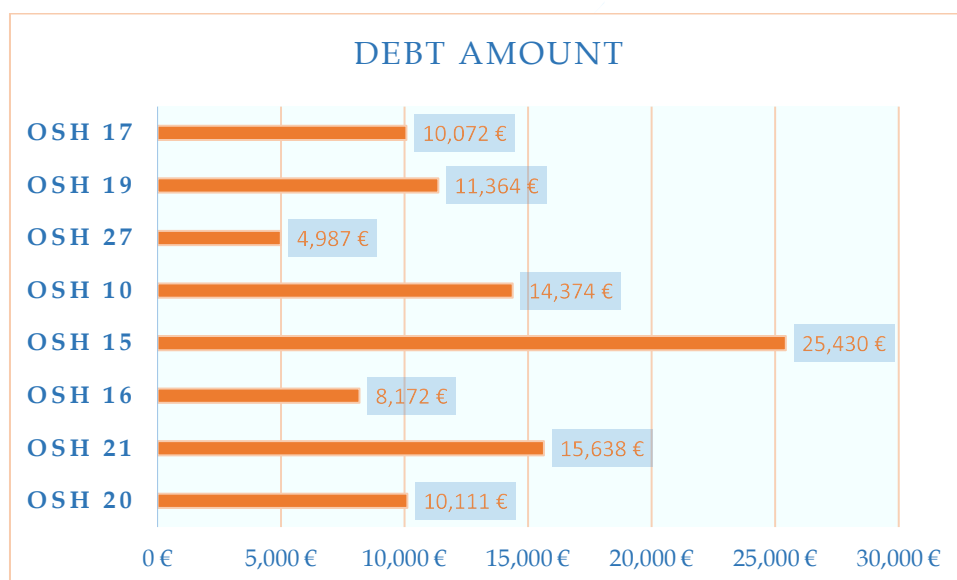
reports, along with insufficiently detailed reports, has allowed such SPs to continue their media activities without meeting essential criteria, contributing to the accumulation of debt.

3.4 Poor collection of SPs debts by IMC

Service providers shall be obliged to pay annual fees and fines to IMC. In cases of non-compliance, IMC must utilize its legal mechanisms by taking matters to court and employing private enforcement agents. The deadline for the payment of fees and fines by service providers to IMC is 30 June of the respective year⁵¹.

Table 3 displays the outstanding debts owed by eight SP to the IMC during 2008-2022, including the first six months of 2023. This analysis aims to assess the updated and real status of the debts and, at the same time, examine whether IMC has taken concrete steps and utilized all legal mechanisms to collect these debts. For comparative purposes, the situation of debts from other media sources, aside from those mentioned, has been evaluated based on the enforcement agent's report to identify issues in debt collection. Table 4 presents some SPs with outstanding debts and notable delays in the enforcement proceedings by IMC.

Table 3. Service providers owe debts to IMC in different values during 2008 - 2022 which have not been collected by IMC.



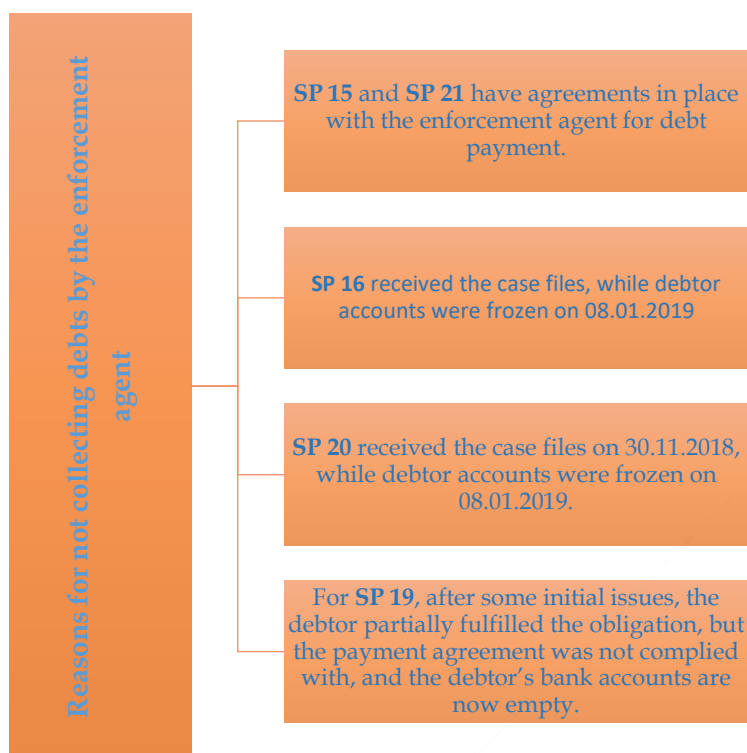
⁵¹ Law on Independent Media Commission and according to the IMC regulations.

Table 4. Delays in the enforcement proceedings by IMC for the audited samples from 2008 to 2022.

Service Provider	Debt and year	Proceeded with the enforcement agent	Delays
SP 16	Debt, 2014 - €599	May 2017	3,5 years
	Debt, 2015 - €540	Proceeded for enforcement in 2017	Approximately 2 years
SP 20	Debt, 2014 - €1.398	May 2017	3,5 years
SP 17	Debt, 2014 - €2.097	May 2017	3 years
SP 27	Debt, January 2020 - €500	September, 2020	3 months late
SP 21	Debts, February 2021	August 2021,	2 months late

The reasons for delays by IMC in the enforcement proceedings are that it started initiating cases of non-payment of annual fees and fines with private enforcement agents in May 2017, forwarding all cases from 2014 to 2017. According to IMC, for the cases of SP 21 and SP 27, there was generally no specific date as to when the cases would be forwarded for enforcement; the completion of the cases and reports with payment and non-payment data took time. This was because IMC had set a deadline for SPs to declare whether they would pay the debts or not. However, we appreciate that IMC has processed late debts with enforcement agents, allowing for their accumulation. Before 2019, cases of accumulated debts were delayed for years in being forwarded for enforcement by IMC, while after 2019 these delays are for several months.

To understand the nature of delays in debt collection through the court and through enforcement agents, we assessed the minutes of the meeting of the IMC Commission with the enforcement agent and the enforcement agent's report for 2023. During the IMC meeting with the enforcement agent, it was reported that some SPs had inactive bank accounts, hindering collections. Others were awaiting court decisions. The enforcement agent has taken actions such as freezing the accounts of service providers and confiscating media equipment. However, asset collection is complex due to the lack of a warehouse. IMC has inquired about contested license fees where the private expert explained their legal right to appeal. Internal controls of IMC are inadequate, resulting in delays and obstacles in handling cases of non-payment and debt accumulation.

Chart 5. Problems in collecting SPs debts by the enforcement agent.

For comparative purposes, referring to the enforcement agent's report, the situation of debts of other media outlets besides the ones mentioned has also been assessed. According to the report, the majority of cases are in appeal as the media outlets have filed appeals before the court. This report has identified 43 additional cases where media outlet accounts were frozen due to insufficient funds. There are instances where the addresses of the media outlets could not be found, contributing to the accumulation of debts. Furthermore, from interviews with IMC officers (management and other staff), it has been understood that there was never an intention to suspend licenses or close any media outlet for financial reasons, as this could cause media chaos.

Delays in the enforcement process by IMC have an impact on the accumulation of debt, affecting the financial stability of media outlets and hindering the effective implementation of debt collection.

3.5 Revocations of licenses of media service providers by IMC

In 2021, the regulation on audio and audiovisual media service providers⁵² was adopted, entering into force in December 2021. According to this regulation, all media and audiovisual service providers transmitting through distribution operators who are not currently transmitting are obliged to commence program broadcasting within a period of 90 days from the enforcement of this Regulation; otherwise, their license shall be suspended.

⁵² Regulation IMC-2021/21, Article 22.

We have analysed all eight samples of SPs license revocations by IMC during 2009 - 2022. From these samples, we have found that the license revocation process is fraught with weaknesses.

In 2013, through a letter⁵³, SP 28 requested the suspension of its broadcasting license because it had not used it for two years and could not afford the corresponding fees. IMC did not make a decision as a result of the complete absence of the board. SP 28 had previously sought the suspension of the license in 2012 due to financial difficulties, but IMC did not consider the request, charging the SP for 2013 as well. Only in May 2013, IMC officially suspended the license.

This happened because, regarding the suspension of the license, nowhere in the primary and secondary legislation of IMC was license suspension envisioned as an option for the licensee (as requested by the licensee to be temporarily suspended). The parties were informed of this in meetings, as well as any other licensee who had similar requests. There is no possibility of suspending the license for a certain period to reactivate it later.

Therefore, SP 28 was obliged to pay the tariff fee because, according to IMC, it was still considered to have a valid license even though it had not been a broadcaster for the specified period. Later, IMC decided to terminate the license only when the party requested relinquishment of the license⁵⁴. One of the reasons for the delay in processing by IMC was that until 2021, there was no specific deadline for commencing the broadcasting, which led to the issue not being addressed in the absence of clear criteria in 2013.

Due to the lack of regular monitoring and assessment of the SP status, IMC has not been able to timely assess and consider the requests and needs of SP for license termination and suspension, resulting in accumulated debt amounting to €6,974.

In another case, in 2009, IMC licensed SP 29. Based on the 2022 monitoring report, IMC confirmed that some SPs, including SP 29, were not broadcasting. Based on debt data, it was observed that this SP had debts from 2018 to 2022 related to non-payment of the annual fee and fines. Due to the lack of previous monitoring, IMC could not timely verify whether it was transmitting or not, and by 2021 when the regulation on commencement of broadcasting was approved, this issue had not been raised, resulting in accumulated debts. As a result, in January 2022, the Licensing Department asked SP 29 to resume broadcasting, but if they were not interested, they should apply for a license termination. In August 2022, according to the second monitoring report, IMC found that SP 29 did not comply with the 90-day deadline to commence broadcasting as specified by the regulation. Furthermore, the service provider has failed to pay the license fee for the period 2018 to 2021 and a total fine of €4,500. IMC decided to suspend the license and issued a decision that the party was obliged to pay the liabilities.

According to IMC, they hold meetings with licensees in many cases on various issues. In 2021, they had a meeting with the representative of SP 29, informing them that all financial liabilities must be paid.

⁵³ E-mail dated 25 February 2012.

⁵⁴ Request dated 16 December 2013.

Regarding the procedures for changing ownership for this SP, IMC announced that one of the criteria for this change is the payment of all financial liabilities. On the other hand, representatives from SP 29 have stated that this television has financial problems, affecting its program broadcasting (for which IMC did not provide evidence of the financial problems faced by this SP).

The lack of consistent media monitoring by IMC has affected the timely identification of whether they are broadcasting, thus preventing the collection of debts. It has also failed to identify in time that financial liabilities related to provider fee obligations to the media are not being fulfilled, allowing debts to accumulate consequently and jeopardizing the collection of funds.

4. Conclusions

The SPs license management process by the Independent Media Commission is characterized by a low level, affecting the non-application of criteria for media activities. Media outlets operate without fulfilling annual fee obligations over the years, and the suspension of media licenses is not implemented by the Independent Media Commission, resulting in the accumulation of debts. The lack of timely and proper monitoring of the media and the failure to take concrete steps against those media outlets that do not adhere to criteria and avoid annual fee payments have contributed to debt accumulation. Furthermore, there are significant delays in debt collection and issues in the internal controls of the media authority.

IMC has facilitated the licensing of providers of audio and audiovisual media services by showing negligence in the implementation of necessary criteria, risking the smooth progress of the process.

In some cases, IMC has allowed licensing without valid agreements on broadcasting rights, where some channels from the mandatory broadcasting list lack broadcasting agreements. In other cases, mandatory channels were not presented at all in the channel list, also lacking contracts with media service providers, risking broadcasting.

During the license renewal process, there were violations of material provisions regarding licensing criteria. These violations included a lack of documented evidence regarding the payment of the annual fee in media files, and failing to meet the renewal contract deadlines. Simultaneously, IMC, in its supervisory role, continued the re-licensing of media without taking any measures to improve this process or address the identified issues.

IMC is inconsistent in giving recommendations for the re-licensing of media outlets. The re-licensing recommendations vary, where in some cases, media outlets with financial liabilities are not mentioned at all in the re-licensing recommendation. On the other hand, in cases where SPs were in compliance with the rules, the reasons accurately reflected their adherence to financial liabilities. Additionally, in this re-licensing recommendation, IMC overlooked violations of criteria and irregularities, remaining indifferent in this process. Standardized decisions were not applied during this process regarding SPs.

Considerable delays were identified in the re-licensing decision-making process which are mainly due to the lack of quorum of the IMC Commission. IMC was negligent in making decisions within the specified deadlines. These delays in license renewals include potential interruptions of broadcasting services, the inability to monitor, and the regulator's inability to sanction in case of regulatory violations or breaches of working conditions.

The IMC internal controls are not effective, as departments within IMC are not attentive to monitoring the SPs broadcasting, allowing the accumulation of debts from annual fees and fines over the years. As a result, media licenses are not suspended, and SPs continue their activities despite financial liabilities and violation of criteria.

IMC failed to conduct timely SPs monitoring to verify whether they have been broadcasting over the years. Due to the lack of regular monitoring and assessment of service providers' situation, IMC

was not able to timely assess and consider the applications for license suspension and revocation, leading to the accumulation of debts.

5. Recommendations

The Independent Media Commission must enhance the level of management of SPs licenses and implement a better process in media management through:

1. Strengthening the licensing and monitoring system is essential to ensure that distribution operators adhere to all licensing and service delivery criteria.
2. Applying clear deadlines and concrete measures for delays or deviations from the criteria to prevent risks associated with the renewal of licenses.
3. Providing clear recommendations during the license renewal process to ensure standardization and consistency.
4. Efficiently utilizing mechanisms such as suspension, termination/revocation of licenses for SPs that do not conduct broadcasting activities, fail to fulfil financial liabilities, and violate media criteria.
5. Increasing the monitoring of SPs for their broadcasting activities by coordinating actions between departments within the Independent Media Commission for effective supervision of licenses and payments.

I. Annex I. Audit criteria, scope and methodology

Audit motive

According to the data received from IMC, only the debt of SP 12 amounts to €252,619 compared to the total of €795,970, or approximately 32% of the total. Compared to the previous year, AR have increased by €67,702.87 (€728,267.08 in 2021) or 9.30%.

Liabilities for the annual license fee for the period 2011-2013 were processed for enforcement before the Basic Court, while for 2014-2024 were processed to the private bailiff.

The IMC Legal Department in 2022 submitted 50 Audiovisual Media Services Providers for enforcement who have not paid the license fee for 2022. Similarly, ten cases for non-payment of fines imposed by the IMC have been submitted for enforcement.⁵⁵

From the above-mentioned data, we can conclude that IMC has encountered problems regarding the collection of funds from licenses/fees and fines against the media.

Furthermore, difficulties in the licensing process have mainly occurred due to the non-fulfilment of financial liabilities. Licensing fees are a key source of funding, and if the media outlets do not pay their licensing fees, it leads to significant legal and economic liabilities.

This issue also directly impacts the renewal process of these media outlets. Media operators are required to fulfil their financial liabilities to meet the renewal conditions.⁵⁶ These liabilities include the payment of fees, taxes and other contributions specified by IMC. It is crucial for operators to submit the required documentation and pay the requested amount in accordance with the applicable regulations.

The examination of the indicators of the identified issues leads us to formulate the following audit problem: IMC, responsible for media licensing and collecting license fees and fines from the media, faces difficulties in re-licensing the media primarily due to non-compliance with financial liabilities and the effective collection of these funds, resulting in outstanding liabilities.

Additionally, the Kosovo Assembly has requested an audit of the Management of licencing by IMC.

Audit criteria

The criteria for the presented questions are provided below; however, during the execution phase, we will examine and use other relevant criteria if deemed important in relation to the audit. The criteria have been presented below in addition to the audit questions.

1. Have the media licenses been issued during 2008-2022 by IMC in accordance with the established processes and procedures?

⁵⁵ IMC Annual Work Report 2022, page 49.

⁵⁶ Regulation IMC 2017/02 on Audio and Audiovisual Media Service Providers, Article 25.

The Licensing Department within IMC is responsible and should review and process applications for new licenses for audio and audiovisual media service providers and distribution operators, including the review of applications related to changes in IMC's license conditions, as well as those for license renewals. Additionally, this department is responsible for maintaining a registry for all IMC licensees, which, as stipulated by the Law on IMC, is available to the public through the IMC's website.⁵⁷

The audio and audiovisual media service providers may submit applications without competition announcement at any time to IMC, while terrestrial broadcasting is done through the Public Tender Procedure⁵⁸.

In the evaluation of applications submitted for broadcasting licenses, IMC must consider criteria such as the capacity for independent program development; the background and financial resource level of the applicant; the financial feasibility of the applicant's broadcasting plan; the technical capacity of the applicant to provide quality broadcasting; the need to ensure diverse programming for all citizens of Kosovo.⁵⁹

The criteria for the audio and audiovisual media service provider mainly include program criteria, economic criteria, and technical criteria.⁶⁰

The Executive Office must maintain a register of broadcasting licences, including the conditions applicable to each licence. The license register must be available to the public.⁶¹

In case of non-fulfilment of the applicant's criteria, IMC must disqualify the applicant for a license, giving the reasons for such disqualification.⁶²

Issuance of licenses for audio-visual media services

The IMC must issue decisions on the refusal or non-renewal of the license for the audiovisual media service provider, and such decisions must be reasoned in writing and delivered to applicants through the Executive Office.

Good practice - The service provider must provide a bank guarantee in the amount of the annual license fee for the license. This guaranteed amount must remain frozen for a 9-month period starting from the application date. If the applicant is granted a license, the frozen amount is immediately transferred to the IMC's account as payment for the first licensing year.⁶³

2. Have the legal provisions for fulfilling financial liabilities been complied with during the re-licensing of operators for the period 2008-2022?

Annual fees

⁵⁷ IMC Annual Work Report for 2021, page 56.

⁵⁸ Regulation on Audio and Audiovisual Media Service Providers 2021, Articles 8 and 11.

⁵⁹ Law No. 04 L-44 on Independent Media Commission, Article 22, Applications for Broadcasting Licences.

⁶⁰ Regulation on Audio and Audiovisual Media Service Providers, 2017 and 2021.

⁶¹ Law No. 04 L-44 on Independent Media Commission, Article 22, Applications for Broadcasting Licences.

⁶² Regulation on Audio and Audiovisual Media Service Providers, 2021, Articles 20.

⁶³ Audiovisual Media Authority (Albania) - Decision on the approval of the regulation. Article 7, paragraphs 2, 3 and 4.

IMC must establish a fee scheme for license fees, for different categories of broadcasting licenses to be paid annually by licensees. The license fee will be the same within each license category⁶⁴.

The annual license fee for audiovisual media services must be paid and deposited on an annual basis, into the bank account of the Independent Media Commission in the first month of the respective year. In case of late payment of the fee, the licensee of the audiovisual media service will pay interest for the late payment of the fee in accordance with the Law on the Tax Administration of Kosovo. Non-payment of the fee may result in the sanctioning of the broadcasting entity in accordance with the IMC law and regulations. Sanctions may also result in the revocation of the license.⁶⁵

License renewal - Except where the IMC considers that a license should not be renewed due to a breach of material provisions by a private audiovisual media service provider with respect to its license conditions, the is entitled to request that the license be renewed by the Executive Office within six (6) months prior to the expiration date of the existing license and at minimum sixty (60) days prior to the expiration of the licence.⁶⁶

Broadcasting licenses and their renewal are for a seven (7) year term for radio broadcasts, while the ten (10) year term is for audiovisual media services and network operators for providing media services with audiovisual content.⁶⁷

Violation of license terms

IMC must monitor audiovisual media services and may initiate and receive complaints related to non-compliance with license conditions, the code of conduct, and other legal acts in accordance with this law. IMC will review complaints alleging a violation of license conditions, the code of conduct, and other legal acts in accordance with this law. IMC will, through the Executive Office, notify the broadcasting entity in writing of any allegation regarding the violation of license conditions, the code of conduct and other legal acts, ensuring that the transmitting entity has a reasonable opportunity to make a presentation and present evidence. After completing the investigation, IMC makes a decision, taking into account all relevant facts and circumstances of the respective case⁶⁸.

The deadline for the payment of the annual fees for IMC licensees is 30 June of the respective year.⁶⁹

In the case of licensing of audiovisual media services providers, the first annual license fee must be paid no later than 14 days from the receipt of the licensing decision⁷⁰.

3. Has IMC taken concrete steps to suspend media licenses in cases of non-compliance with financial liabilities and non-implementation of program criteria?

⁶⁴ Regulation on the level and manner of payment of the license fee for audiovisual media services, Article.

⁶⁵ Regulation on the level and manner of payment of the license fee for audiovisual media services, Article 6.

⁶⁶ Regulation for the distribution of audio and audiovisual service providers, Article 8.

⁶⁷ Law No. 04/L-44 of Independent Media Commission, Article 21, paragraph 2.

⁶⁸ Law No. 04 L-44 on Independent Media Commission, Article 22, Applications for Broadcasting Licences. article 29.

⁶⁹ IMC Annual Work Report 2022, page 72.

⁷⁰ Regulation on Tax Payment, 2010, p. 3, Article 5.

Licensed entities must operate in accordance with international best practices, comply with broadcasting policies, adhere fully to all bylaws, and comply with the terms and conditions of the license as defined by IMC.⁷¹

IMC must collect taxes for the use of broadcasting frequencies from licensed entities for audiovisual media services and from network operators⁷².

IMC must implement the procedures and criteria set out in the media law to assess applications from media operators for re-licensing. In this process, the financial liabilities of operators will be taken into account, including their current and past payments, as well as the guarantees provided.

Non-payment of the license fee to IMC will result in the sanctioning of the broadcasting entity, in accordance with the IMC law and regulations. Sanctions may also result in the revocation of the license.⁷³

For violations of license conditions, the code of conduct and other legal acts in accordance with this law, IMC may/must issue written warnings or impose one or more of the following sanctions on licensees: impose a fine of not less than one thousand (1.000) Euro and not more than one hundred thousand (100.000) Euro. Require the licensee to broadcast the correction or issue an apology through broadcasting; to suspend a part or all of the licensee's program for a specified period; modify the terms of the broadcaster's license; interrupt or refuse the continuation of the broadcasting license⁷⁴. A warning for the first violation of a specific Regulation. One or more penalties in general will precede any license suspension. Failure to comply with a prior decision of IMC or the repetition of the same violations will result in stricter penalties, including increasing penalties for violations of the same or similar IMC regulations. Repeated or ongoing violations of IMC regulations that would justify a second suspension within the two-year period may serve as grounds for revoking the license⁷⁵.

4. Has IMC properly implemented all the legally allowed mechanisms for the collection of liabilities from operators for the period 2008-2022?

The Legal Department within ICM should initiate cases for court and utilize other mechanisms (such as enforcement agents) to collect revenues from taxes and fines from service providers. The Appeals Board decisions shall be final and subject only to the procedural review of the Supreme Court of Kosovo in accordance with applicable law.⁷⁶ For subsequent years, the fee must be paid no later than 20 days after the start of the calendar year.⁷⁷ Annual fees for issuing a license for broadcasting radio and television signals must be paid no later than the 5th day of the current month. Delays in paying the tax also incur penalties, and failure to pay the tax may result in the sanctioning of the entity, including license revocation⁷⁸.

⁷¹ Law No. 04 L-44 on Independent Media Commission, Article 22, Applications for Broadcasting Licences. Article 21.

⁷² Law No. 04 L-44 on Independent Media Commission, Article 22, Applications for Broadcasting Licences. Article 3.

⁷³ Regulation 2010 on the level and manner of payment of the license fee for audiovisual media services, Article 5, p. 4.

⁷⁴ Ibid, Article 30.

⁷⁵ IMC Guidelines on the Implementation of Licensee Sanctions, p. 1 and 6.

⁷⁶ Law No. 04 L-44 of Independent Media Commission, Article 44.

⁷⁷ CIMC's decision on the level and method of determining the fee for licensing cable operators and cable program service providers.

⁷⁸ Regulation on Annual Fees 2007, p. 5, Article 6, and Regulation on Fees 2008, p. 5, and Regulation 2010, p 4.

Audit scope

The audit scope includes the Independent Media Commission, focusing on the Licensing Department, the Department of Media Monitoring and Analysis (DMAM), and the Legal and Finance Department, the responsibilities of which are clarified in the system description section.

- Licensing Department,
- Department of Media Monitoring and Analysis,
- Legal and Finance Department.

The scope covered the period from 2008 when the issuance of licenses by IMC began to 2022, a period included based on the request of the Assembly of Kosovo.

Audit methodology

The selected methodology for analysing the issues in this audit includes the examination of all relevant documents, starting from:

- Regulations on setting criteria and issuing licenses 2009, 2013, 2014, 2017 and 2021, etc.;
- Regulation on the imposition of taxes and the manner of their payment;
- Review and analysis of the IMC Annual Work Reports for 2022, etc.;
- Review of Monitoring Reports related to the implementation of programs by service providers;
- Assessment of the compliance of AMSPs with the IMC Regulation 2017;
- Applications from entities applying for licenses to provide services;
- Review and analysis of fines imposed by IMC on service providers;
- Analysis of procedures and mechanisms undertaken by IMC over the years regarding the collection of taxes and fines from audio and audiovisual media service providers.

In addition to the above analyses, the following have been conducted:

- Meetings and interviews with officers responsible for issuing and monitoring licenses, and tax collection and fine issuing officers;
- Consultation of literature, standards and best practices related to the Management of licencing for service providers.

Questionnaires with media regarding data on media obligations to IMC and other obligations.

II. Annex II. Detailed cases of debts, including their nature and values.

Initially, SP 26, licensed in 2008, owed a debt of €13,000 to IMC, all fines for violations of license conditions and program criteria over the years. Among these debts, there was a fine of €5,000, which was imposed on 11.02.2021. However, after reviewing the appeal from SP, the amount of this fine was reduced to €4,000, citing the circumstances created by the Covid-19 pandemic. This total debt in the amount of €13,000, was proceeded by IMC to the enforcement agent. SP 26 had continuously violated the program criteria of the Regulation on Commercial Communications⁷⁹.

SP 13 - licensed in 2010, owed a debt of approximately €16,463 to IMC starting from 2012 for violations of the license and fines for violations of the Law on General Elections in the Republic of Kosovo. IMC issued fines for violation of rules, where it could suspend programs or licenses, but has not taken these effective measures to fulfil financial liabilities. Similarly, for this SP, IMC had initiated the enforcement procedure.

SP 14 - licensed in 2008, another media entity that violated license conditions, had a debt to IMC amounting to €14,733 starting from 2013. Initially, IMC issued a fine of €45,000 to this SP for the breach of the criterion for commencing program broadcasting without copyright. As a result, IMC entered into an agreement with SP to pay the debt in instalments without any clear legal basis.

By June 2023, SP 14 did not fulfil all financial liabilities to IMC, remaining with a debt of €14,733, and the case is with the court.

SP 15 - licensed in 2009, owed an accumulated debt from 2017 to 2021 of €26,430 to IMC for various violations of rules, such as violations of the Law on Elections and the regulation on audiovisual commercial communications. We have noticed that over the years, IMC attempted to impose progressive measures regarding violations of criteria; however, in 2021, there is a similar violation related to audiovisual commercial communications, yet a lower was been imposed compared to 2019 and 2017.

IMC fined the television several times for similar violations and has not taken strong steps to suspend their programs or revoke their licenses as an effective mechanism to stop program violations.

SP 16 - licensed in 2009, has owed a debt of €8,172 to IMC since 2012 for non-payment of annual fees and fines for license violations, such as changing the broadcaster location without prior approval.

⁷⁹ Articles 30 and Article 12.

One of the reasons for the debt is the failure to submit the annual report⁸⁰ to IMC. IMC has taken legal steps, such as the courts and enforcement agents, to collect the debts.

SP 17 - licensed in 2009, owned a liability/debt to IMC amounting to €10,072. All are liabilities for annual fees from 2011 to 2014, while a fine of €1,000 is related to a violation of the law for failing to submit the annual report.

SP 18 - licensed in 2016, owed a liability/debt to IMC amounting to €2,000. On 26.09.2022, IMC imposed a fine on the service provider for failing to submit the annual report to IMC. On 11.11.2022, it also issued a fine of €1,000 for the service provider for violating the Law on IMC on retransmitting channels without a valid agreement⁸¹. The responsible party is also obliged to stop the retransmission channels within thirty (30) days after the full enforcement of this decision.

SP 19 - licensed in 2010, owed a liability/debt to IMC amounting to €11,364. Among these, there are annual fees and a fine of €1,000 dated 06.08.2013 for a violation related to the failure to submit the annual report. Since 2012, SP 19 has not paid the license fee and has been charged with interest for three consecutive years until 2014. Similarly, during 2015 to 2020, it has incurred interest for non-payment of the license fee. Additionally, there is a fine of €1,000 for 2013 for failing to submit the annual report to IMC. In total, it owes a debt to IMC amounting to €11,364.10 and continues its media activities.

SP 20 - licensed in 2010, owned a liability/debt to IMC amounting to €10,111. All of these are non-payments for the annual fee, while two fines have a total value of €3,000. On 26 May 2021, following the monitoring, IMC imposed a fine of €1,000 on a radio station for violating the Law on Elections in Kosovo, while on 26 September 2022, it issued a second fine of €2,000 for failing to submit the annual report to IMC.

SP 21 - licensed in 2009, owed a debt/liability of €15,638 to IMC during the period from 2019 to 2021. These debts are for annual license fees amounting to €4,638 in 2020, fines totalling €5,000⁸² in 2021, which was reduced to €4,000 after an appeal by the Board. Other fines

include €3,000⁸³ in November 2021, €2,000⁸⁴ in October 2021, and €2,000⁸⁵ in October 2019. It should be emphasized that by June 2023, a total of three instalments for fees have been paid, amounting to €1,771, while the others are debts from fines.

SP 10 - licensed in 2008, owed a debt/liability of €14,374 to IMC for fines issued during 2021. On 16 March 2021, it imposed a fine of €5,000 for violations of the Law on General Elections of the Republic of Kosovo. On 18 October 2021, it also imposed a fine of €2,000 against a service provider for violating the Law on Elections and for violations of the Code of Ethics. On 11 November 2021, it imposed a fine of €4,000 for violations of the regulation on commercial communications and

⁸⁰ The annual financial report presents in detail the financial status of SP regarding its expenses, revenues and profits.

⁸¹ In terms of Article 30 paragraph 2 of Law on Copyright and Related Rights.

⁸² For violation of Article 31 of the Law of IMC and Article 33 of the Regulation on Commercial Communications, the decision dated 11.02.2021

⁸³ Violations of the Regulation on Commercial Audiovisual Communications.

⁸⁴ Violation of the IMC regulation for commercial communications and the code of ethics.


⁸⁵ Violation of Article 9, paragraph 7 of the Code of Ethics and violation of the communication regulation.

violations of the Law on General Elections. On 11.02.2021, it imposed a fine of €5,000 for violation of the Law on IMC and for violation of the regulation on commercial and audiovisual communications. Out of the total debt of €16,000, only €1,625 have been paid.

SP 23 - licensed in 2015, owed a debt/liability of €46,477 to IMC, which is the annual fee for 2016, 2017 and 2018.

SP 24 - licensed in 2008, owed a debt/liability of €20,000 to IMC for failing to pay the annual fee for 2019.

Annex III. Letter of Confirmation and comments of the auditee



14-02-2024
Ref. 2402/267/KPM/144

REPUBLIKA KOSOVA - REPUBLIC OF KOSOVA
KOMISIONI I PAVARUR I MEDIAVE
NEZAVISNA KOMISIJA ZA MEDIJE
INDEPENDENT MEDIA COMMISSION



LETËR E KONFIRMIMIT

Për pajtueshmërinë me të gjeturat e Auditorit të Përgjithshëm për raportin e auditimit të performancës **"Menaxhimi i licencimeve në Komisionin e Pavarur për Media"**, dhe për zbatimin e rekomandimeve.

Për: Zyrën Kombëtare të Auditimit Vendi dhe data: KPM- 14.02.2024

I nderuar,

Përmes kësaj shkrese, konfirmoj se:

- kam pranuar draft raportin e Zyrës Kombëtare të Auditimit **"Menaxhimi i licencimeve në Komisionin e Pavarur për Media"** (në tekstin e mëtejshëm "Raporti");
- pajtohem me përmbajtjen e Raportit, kurse për disa nga të gjeturat dhe rekomandimet kemi ofruar komentet tona të bashkangjitura si shtojcë; si dhe
- brenda 30 ditëve nga pranimi i Raportit final, do t'ju dorëzoj një plan të veprimit për implementimin e rekomandimeve, i cili do të përfshijë afatet kohore dhe stafin përgjegjës për implementimin e tyre.

Kryetari i KPM



Jeton Mehmeti





Audit performed: "Management of licensing at the Independent Media Commission"

Document: Comments of the auditee on the draft audit report

Findings	Agree Yes/No	Comments of the auditee when not agreed	View of the NAO
3.1.1 Failure to meet the criteria of licensing of distribution operators for audio and audiovisual media services providers	NO	<p>Based on Regulation KPM-2020/01, no agreement is required for channels that enjoy the status of mandatory carrier. In relation to this issue, Article 10.1 of this regulation stipulates that:</p> <p>"AMSPs that do not enjoy the status of mandatory carrier may be carried by the distribution operators only based on a valid agreement"</p> <p>So, based on this article, the agreement is required only for those entities that do not enjoy the status of mandatory carrier (they do not use frequencies) and other channels from abroad.</p> <p>In addition, according to the Regulation 2020/01, the annex therein concerning the licencing procedures and criteria, the contracts on broadcasting rights do not constitute a licensing criterion.</p> <p>Therefore, we propose for the finding to be removed from the draft report.</p>	<p>The finding remains because: article 3 of the IMC Regulation on the Distribution of Audio, and Audiovisual Media Service Providers sets forth the licensing criteria, without excluding or supplementing any of these criteria later on. One of these criteria is also under section 6 - Evidence of willingness to secure valid broadcasting rights agreements. Based on article 1 of the annex in the same regulation, the applicant applying for the license at IMC, should submit the application established by IMC and the supporting material. The license may be issued to each interested legal person that meets the required terms and criteria in a clear and detailed fashion, as set forth in the law and the by-laws.</p>

3.2.2 Failure to comply with material provisions	NO	<p>Failure to pay fees and fines does not constitute a legal obligation to refuse license renewal. This is a right of the IMC, but not an obligation. The suspension or termination of the license and non-renewal of the license represents the last legal measure and the most severe sanction and as such should be expressed only in exceptional cases due to the fact that the freedom of expression and information may be violated. The IMC as an independent institution has taken the stance to use other legal mechanisms through which the financial requests of the IMC are realised, by proceeding the cases to the private bailiff. This is considered as a balance between the right to operate and the collection of financial liabilities! The Regulation on Fees itself stipulates that failure to pay the fees MIGHT lead to revocation, but it does not say that the license must be revoked, so this is up to the IMC to evaluate! Regarding the payment of the administrative fee of €100 for the license renewal, even if the proof has not been submitted, it has been verified each time through the electronic payment system by the Finance Division in IMC (just as you did) and then the request for review by the Commission was processed.</p> <p>Administrative fees are mostly paid online and the parties send proof of payment via email, the same is then verified in the finance system and then the case is</p>	<p>The comment does not stand because, in no case have we said that the license renewal should be refused. We have said that despite the authority given by law, which allows the IMC to issue a written warning or impose a fine for violation of the terms of the license, no such action has been taken in any of these cases. IMC has directly started with the proceedings for the collection of financial liabilities through the private bailiff. The use of mechanisms, such as courts and bailiffs, highlights the IMC's inability to effectively collect unpaid fees and enforce financial accountability.</p> <p>Regarding the payment of the administrative fee of €100, we presented the same situation in the report, as you explained. Simply, the evidence was not in the file and we did not say that it was proceeded without this payment.</p>
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		<p>forwarded to the commission. Never in a single case has it happened that such a case has been forwarded to the IMC without having paid the administrative fee beforehand.</p> <p>ICM has addressed all the cases, with no exception, of the unpaid administrative fees to the courts and the bailiff.</p> <p>We propose to remove the finding from the report given that there is no violation of material provisions.</p>	
3.2.3 Inconsistency by IMC in giving recommendations for the renewal of media licenses	NO	<p>We do not think that there is inconsistency in giving recommendations, but in cases of license renewals when the candidates have paid their financial liabilities to the IMC, the Commission has been informed through the recommendation that the candidate has paid the financial liabilities.</p> <p>Whereas, in those cases where the candidate had financial liabilities, it was recommended to renew the license because the IMC decision V3/2016 was in force, which enabled the renewal of licenses even if the licensees had financial liabilities and instructed them to settle their liabilities, otherwise they would be collected through the legal procedures of the private bailiff. Moreover, we don't agree with the conclusion that the way recommendations are given diminish the transparency and fairness of the process or leads to favouritism and bias, because each</p>	<p>The finding stays because despite the fact that the decision has allowed to continue with the renewal of licenses despite the debts, we estimate that the recommendations on renewal should be unified. Our assessment that both the SPs with obligations and those with no obligations is worth mentioning in the recommendations. At least for the auditors it is important, but also for the internal needs of the IMC.</p>

		<p>eligible entity having submitted the application had their license renewed. Some cases of candidates with no liabilities have been pointed out in the recommendations in order to inform the Commission that a certain candidate is correct and has paid off the financial liabilities and that given that the licenses were extended to all, regardless of the financial liabilities, the fact of not pointing out in the recommendations that some of the candidates have financial liabilities was not a determinant in the Commission's decision-making for the license renewal (fortunately, the IMC decision V3/2016 was in force, which enabled renewal of the license even for licensees who have unpaid financial liabilities).</p>	
3.3 Failures in the suspension and revocation of licenses by IMC and debts accumulated by SPs	NO	<p>Failure to pay fees and fines does not constitute a legal obligation to suspend or terminate broadcasting licenses. This is a right of the IMC, but not an obligation. The suspension or termination of the license and non-renewal of the license represents the last legal measure and the most severe sanction and as such should be expressed only in exceptional cases due to the fact that the freedom of expression and information may be violated. The IMC as an independent institution has taken the stance to use other legal mechanisms through which the financial requests of the IMC are realised, by proceeding the cases to the</p>	<p>The finding stays because the IMC has not used its internal mechanisms to prevent the current situation created with the debts from happening.</p> <p>The lack of regular monitoring and assessment of the state of SPs has made the IMC unable to assess in time and take into account the requests of SPs for the termination and suspension of the license, as a result of which debts have accumulated.</p>

		<p>private bailiff. This is considered as a balance between the right to operate and the collection of financial liabilities! The Regulation on Fees itself stipulates that failure to pay the fees MIGHT lead to revocation, but it does not say that the license must be revoked, so this is up to the IMC to evaluate!</p> <p>With regard to the SP14 case regarding the agreement on paying the debt in instalments – the IMC has regarded this agreement concluded with the party as a very efficient mechanism for collecting the debt. In addition, IMC has, based on the party's request to allow the payment in instalments due to the large amount of debt, enabled the party in order to prevent the latter from facing financial difficulties which could result in the party's failure to pay the debts and operate.</p>	<p>The IMC has tried to impose progressive measures regarding violations of the criteria, but in 2021 there is also a violation of the same criterion, although it has imposed a lower fine than in 2019 and 2017.</p> <p>The IMC has imposed a fine to the television several times for similar violations and has not taken any strong measures to suspend their programs or revoke their license as an effective mechanism to stop programming violations.</p> <p>Some audio-visual media SPs have faced suspension or revocation due to non-activity; other SPs have not faced it thus resulting in accumulated debts of SPs over the years and IMC has not managed to collect even through the instalment agreements nor through the bailiff effectively.</p> <p>The fact that in 2023, the IMC took the decision that the media that do not pay their financial liabilities will not continue broadcasting shows that such a thing could have been done before in order to</p>
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			prevent the accumulation of debts.
3.4 Poor collection of SPs debts by IMC	NO	<p>It cannot be considered poor collection of debts due to the fact that the IMC has undertaken all actions for the debts collection by sending all cases without exception to the court and to the private bailiff. However, due to complicated procedures in the execution of cases by the bailiff and delays in the execution of these cases as a result of legal procedures, the IMC has decided not to renew the license if the entities have debts regarding the fee.</p> <p>With regard to the accumulated debts, IMC issued a decision on 9.07.2023 that all licensees who have financial liabilities shall within thirty (30) days after the entry into force of this decision settle the all the financial liabilities towards IMC or enter into a valid agreement through which it is proved that all liabilities will be paid within 12 months.</p> <p>Following this decision, three (3) broadcasting entities entered into agreements with the IMC and ten (10) broadcasting entities with the private bailiff, which are paying in instalments.</p> <p>It is important to note that in the last three years we have collected more than 97% of the planned revenues from broadcasting entities.</p>	<p>The comment does not stand as there are delays of months and years where the cases have not been submitted to the bailiff by the IMC (please refer to table 4 in the report).</p> <p>Regarding the decision dated 19.07.2023 - "All licensees who have financial liabilities shall within thirty (30) days after the entry into force of this decision, settle the all the financial liabilities towards IMC" was mentioned in the report.</p>

		<p>As for the financial liabilities of the previous years, they are as follows:</p> <p>Of the total debts, 34.90% are debts from fines, which in most cases have been contested in court and the IMC has the obligation to wait for the court's decisions regarding these cases.</p> <p>The public broadcaster (RTK) only is obliged to pay 35% of the total debts to the IMC, according to the IMC law we do not have the right to revoke the license, the only way is through addressing the courts and the private bailiff.</p> <p>These are the measures that the IMC has taken to address this issue.</p>	
3.5 Revocations of licenses of media service providers by IMC	NO	<p>IMC has taken immediate actions anytime they received a notice of relinquishment of the license by not charging annual fees in the following year and by taking the decision to terminate the license.</p> <p>In the case of the licensing of AMSPs with broadcasting through operators, as it is the case with ALSAT Kosova, it was until 2021 that the license terms or other legal basis of the IMC did not determine the deadline for starting the broadcast (as it was determined for terrestrial broadcasting TVs and radios which were obliged to start broadcasting within 90 days from being licensed). Now, the IMC's Regulation 2021/01 sets forth the deadline for all the Audiovisual and Audio Media Service</p>	<p>Even this finding stays as many reasons have been given in the report (we have even clarified the same situation as you have presented) and also the cause has been presented.</p>

		<p>Providers to start broadcasting, regardless of the form of broadcasting. Therefore, despite not having started to broadcast, the licensee was obliged to pay the annual license fee for the reason that he was holding a valid license from the IMC.</p> <p>With respect to the suspension of the license as requested by the licensee, nowhere in the primary and secondary legislation of the IMC has the license suspension been foreseen as an option for the licensee (as the licensee requested that it be temporarily suspended), and the party as well as any other licensee having similar requests were notified in meetings that they could give up the license, however, there was no possibility of suspending the license for a period of time to activate it again.</p> <p>AMSP Tribuna Channel has been a television which, in recent years, was a serious competitor in the media market with important programming content, but recently it had financial problems and interrupted the broadcasting. Taking into account that IMC had not terminated any license due to failure to pay the fee, it neither did the same with Tribuna Channel nor had received any request/note from the licensee for license relinquishment, nay it showed interest, during the meetings, to renew the licence, making efforts to find opportunities to pay off the debts.</p>	
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