SLOVENIA – New rules on end-user agreements for electronic communications services Electronic Communications Act 2.0

November 2022

The new Electronic Communications Act has been adopted and is applicable as of 10 November 2022.

The main reason for adopting the new Electronic Communications Act (**ECA-2**) is the transposition of the Electronic Communications Code (Directive (EU) 2018/1972).

While ECA-2 has introduced numerous changes to the regulatory framework for electronic communications services, this client alert focuses on the new framework for end-user agreements.

Compared to its predecessor, ECA-2 has broadened and defined in detail the scope of end-user rights and the contractual duties of electronic communications services providers in this regard. As a consequence, end-user agreements will have to be reassessed and revised. <u>The deadline for revising end-user agreements is 9 months after ECA-2 became applicable (i.e. 10 August 2023)</u>.

Main features of the revised framework for end-user agreements include:

- pre-contractual information duty: before entering into an agreement for public communications services, a service provider must provide a consumer with:
 - (a) pre-contractual information required under the Slovenian Consumer Protection Act and certain information specific to the electronic communications service. Further information categories are determined for providers of internet access services and providers of number-based interpersonal communications services.
 - (b) summary of the agreement. The summary should be included in the form determined by the EU Commission.¹
- end-user agreement: the end-user agreement for public communications services must include at least information on parties, services, terms of services, prices and other payments, agreement duration, as well as information provided in context of pre-contractual information duty. The content and execution of end-user agreements are further limited by the following rules:
 - (a) <u>duration of the end-user agreement</u>: the end-user agreement may be concluded for an indefinite or fixed term (with an option of automatic renewal). If the agreement is concluded for a fixed term with automatic renewal, at least 30 days prior to renewal the service provider must (i) inform the user of expiration and

See Commission Implementing Regulation (EU) 2019/2243 of 17 December 2019 establishing a template for the contract summary to be used by providers of publicly available electronic communications services pursuant to Directive (EU) 2018/1972 of the European Parliament and of the Council (link to the document).

cancellation options and (ii) advise the user on the best price options for the services. After automatic renewal, the user may cancel the agreement with one-month notice period without any costs.

- (b) <u>binding period</u>: the maximum binding period of the agreement must not exceed 24 months. As a rule, adding extra services or terminal equipment in the end-user agreement does not prolong the binding period, unless the end-user gives its express consent. These rules are not applicable to number-independent interpersonal communications services.
- (c) <u>amending the user agreement</u>: the service provider must inform the end-users of any unilateral amendment of the terms of the end-user agreement at least 30 days before the change takes effect. In the case of such changes, end-users have a right to withdraw from the agreement within 60 days, but this right is excluded if the proposed change is (i) exclusively in favour of the end-user, (ii) of purely administrative nature and has no adverse effect on the end-user, or (iii) required to ensure compliance with regulations. These rules are not applicable to number-independent interpersonal communications services.
- (d) if a <u>bundle of services and terminal equipment</u> offered to a consumer comprises at least an internet access service or a publicly available number-based interpersonal communications service, all elements of the bundle must adhere to the rules on agreement summary, agreement duration and termination, subscription period, amendments to the terms of the agreement, service interruption, provider switching and publication of information.²

Some of the end-user rights apply not only to end-users who are consumers, but also to micro and small corporations and non-profit organisations, unless they waive application of their rights. Further, most of the rules on end-user rights do not apply to transmission services contracts used to provide machine-to-machine services.

Assessment and revision of end-user agreements will not have to be carried out only by traditional providers of electronic communications services (e.g. classic phone calls on the PSTN network or online services enabling connection to classic telephone numbers), but also by providers of 'number-independent interpersonal communications services', i.e. services which do not connect or enable communications with publicly assigned numbering resources (e.g. OTT services).

Operators who are micro corporations³ and only provide number-independent interpersonal communications services are exempt from complying with end-user rights, with the exception of rules prohibiting discrimination and access restriction. Such operators must inform their end-users of the exemption.

Non-compliance with the above rules on end-user rights may be subject to a fine of <u>EUR 500 to EUR 15,000 or</u> <u>EUR 20,000 to 50,000 (medium and large corporations)</u>.

² The relevant rules are contained in Articles 187, 190, 191, 192, 193, 194 and 197(1)-(3) of ECA-2.

³ Micro corporations are corporations that meet two of the following criteria: (i) average number of employees in a business year does not exceed 10; (ii) net sales income does not exceed EUR 700,000; and (iii) value of assets on the balance sheet does not exceed EUR 350,000 (Article 185 of ECA-2).

Should you require any further details regarding the new legislative changes and ensuring your compliance with them, please do not hesitate to reach out to us.

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