

# Telecoms & Media

## “The Startup Law” - Revision of the Israeli Communications Law – from Licensing Regime to Registration Regime



On June 28, 2022, the Israeli parliament (the Knesset) passed a bill to extensively amend the Israeli Communications Law (Telecommunications and Broadcasting), 5742-1982 (the “**Communications Law**”, and the “**Amendment**”). The main purpose of the Amendment (which is also known as the “**Startup Law**”) is to ease the regulatory burden and reduce entrance barriers to the Israeli telecoms market.

The Amendment is expected to come into force on October 2, 2022 (unless the effective date of the Amendment is postponed by the Minister of Communications - the “**Minister**”). Nonetheless, certain provisions regarding monetary sanction, will go into immediate effect.

### The Current Regulatory Framework

The current legislative regime governing the communications market in Israel is oftentimes unclear, outdated and inconsistent with rapidly changing technology.

For example, under the current Communications Law, a license must be obtained in order to provide *Telecommunication Services* or to conduct *Telecommunication Activities*, unless such services or activities are permitted under a *General Permit* or are covered under specific exemptions. As the definitions of these terms are fairly wide, many communication activities and services, including simple day-to-day activities (such as IOT activities) may fall within the licensing requirement. Additionally, the licensing process is relatively complicated and usually takes no less than several months.

### The New Regime Under the Amendment

The main goals of the Amendment, as mentioned above, are reflected in several aspects, such as:

1. **Narrowing the scope of Telecommunication Services/Activities regulated under the Communications Law:** The Amendment exempts providers of certain *Telecommunication Services* from the requirement to obtain a license or a General Permit. Under the Amendment, the definition of “*Telecommunication Services*” is narrowed to include only certain (1) Telephony Services; (2) Internet Access Services; and (3) Data Transmission Services (the definitions of these terms are also quite straightforward). It should be noted however that the Minister has the authority, although limited, to include additional services.

- 2. Change of the current licensing regime to a new “easy green track” registration regime:** According to the Amendment, most of the *Telecommunication Services* shall no longer be regulated by licenses but rather by a registry. The registration procedure is intended to be very simple – the applicant would be required to file a registration application, which will then be reviewed within ten working days. The Minister is authorized to define conditions, restrictions and obligations that would apply to entities and persons registered in the registry. Several licensing requirements would still continue to apply to certain of the *Telecommunication Services* and *Telecommunication Activities* with respect to which there is a specific justification for tighter regulation, such as certain cellular or satellite communication services. The Minister is granted with the limited authority to include additional services and service providers that would require (or be required to obtain) a license.
- 3. A Shift from ex-ante enforcement to ex-post:** The current Communications Law requires the Minister to extensively examine, ex-ante, whether to grant a certain license. Under the new regime, the examination would be on an ex-post basis – meaning that in most cases, there would not be significant limitations on the commencement of activities by the applicant, however, the Minister would later be required to examine that such activities are consistent with the regulations.

The Amendment also includes transitional provisions. For example, entities or persons that at the date of the Amendment had already held a license – will be deemed as having been registered in the registry, to the extent such registration is required; or, if subject to a licensing requirement – as having obtained the license. Additionally, certain experiments on 5G wireless systems would be exempted, for a limited period, from the licensing and registration requirements.

Please feel free to contact us with any questions that you may have on this matter.



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