Retail Tariff Instruction

for

Individually Licensed Service Providers in Qatar

The Supreme Council for Information and Communications Technology (ictQATAR)

Consultation Document

ICTRA 2012/11/06

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1 Consultation

1.1 Background and process

To maintain an open and transparent regulatory process, ictQATAR is initiating this consultation on the revised “Retail Tariff Instruction” (**Instruction**).

The first version of the Instruction was issued on 5 Nov 2009 under the title “Instruction on Tariff Approval and Notification Procedure Applicable to Promotions and Permanent offers”.

Three years after market entry by Vodafone, in light of the developments in the telecommunications markets and as requested by the Service Providers, ictQATAR believes it is now necessary to have an up to date version of the Instruction.

This Consultation Document (**CD**) sets out the proposed rules, guidelines and methodology for retail Tariff approval and/or review and publication for Service Providers (**SPs**) in Qatar.

The draft Instruction, as included in this CD is fully in line with the Applicable Regulatory Framework (**ARF**) and international best practices.

Views and comments, on the fullest extent possible, on this CD are invited from industry participants, other stakeholders and interested parties. We would ask to provide views and comments on this CD generally and on a number of specific questions in particular. A complete list of the questions is contained in the list of questions contained in full in Annex VI.

1.1 Consultation Procedures

All interested parties are invited to submit responses to the questions specifically identified in this document and to provide their views on any other relevant aspects. Comments should reference the number of the question being addressed or the specific section of this document if not responding to a particular question.

ictQATAR asks that, to the extent possible, submissions be supported by examples or relevant evidence. Any submissions received in response to this consultation will be carefully considered by ictQATAR when progressing in the Instruction. Nothing included in this consultation document is final or binding. However, ictQATAR is under no obligation to adopt or implement any comments or proposals submitted.

Comments should be submitted by email to tariffs@ict.gov.qa by 17 December 2012 at the latest. The subject reference in the email should be stated as “Retail Tariff Instruction". It is not necessary to provide a hard copy in addition to the soft copy sent by email.

1.2 Publication of Comments

In the interests of transparency and public accountability, ictQATAR intends to publish the submissions to this consultation on its website at www.ictqatar.qa. All submissions will be

processed and treated as non-confidential unless confidential treatment of all or parts of a response has been requested.
In order to claim confidentiality for information in submissions that stakeholders regard as business secrets or otherwise confidential, stakeholders must provide a non-confidential version of such documents in which the information considered confidential is blacked out. From the non-confidential version it has to be clear where information has been deleted. To understand where redactions have been made, stakeholders must add indications such as "business secret", "confidential" or "confidential information".
In the confidential version the information to be treated as confidential should be square bracketed so that we know what is being redacted. A comprehensive justification must be provided for each and every part of the submission required to be treated as confidential. Furthermore, confidentiality cannot be claimed for the entire or whole sections of the document as it is normally possible to protect confidential information with limited redactions.

For more clarification concerning the consultation process, please contact John Kearney, Manager Tariffs, jkearney@ict.gov.qa.

1.3 Advertising Guidelines

ictQATAR is mindful that Retail Tariffs and their approval are closely linked with Advertising Guidelines. Such "Guidelines on Advertising, Marketing and Branding Telecommunications Products and Services in Qatar" have been issued in April 2011 as part of the QTel Virgin Mobile Decision (ICTRA 2011/04/4)[1]. ictQATAR currently does not think such specific Advertising Guidelines should form part of the Retail Tariff Instruction, but should rather be contained in a separate document on which ictQATAR will consult with the Industry separately.
In the meantime ictQATAR expects the Industry to adhere to the "Guidelines on Advertising, Marketing and Branding Telecommunications Products and Services in Qatar". as a minimum standard generally and specifically to the following specifically for retail tariff purposes:

Promotional materials must be clear, complete and easily understood by a typical consumer and must not mislead customers in any way.
Messages including "* Terms and Conditions apply" are **not** allowed. E.g. SPs must not advertise an offer to a geographic region if that offer does not cover all countries that would reasonably be expected to be included in that region e.g. Morocco would reasonably be expected to be part of MENA.
Where an Offer is limited to certain countries and or operators in a country the advertising material must contain a statement such as "This promotion is not available in all countries and on all networks" and a statement on what is included such as "Only the following networks in the following countries are included" with a full list.

Any advertising material for Promotional Offers must clearly state the end date of the promotion. All caveats and the end date must be in the same size font as the main message.

[1] Available: http://www.ictqatar.qa/documents/document/decision-orders-regarding-qtel-virgin-mobile-branded-services-qatar

2 Introduction, Objective & Scope

This Instruction sets out (i) the general rules and (ii) the process for retail Tariff approval. This Instruction applies to all Service Providers, offering Telecommunication Services to the Public, Dominant Service Providers (**DSP**) and non-DSPs.
This Instruction does not apply to services provided under a class license issued by ictQATAR. Wholesale Tariffs are also out of scope of this Instruction.

This Instruction has been developed by ictQATAR in consultation with the SPs in Qatar. The purpose of this Instruction is to facilitate the retail Tariff approval process and to assist SPs in complying with the retail Tariff approval process.

ictQATAR has considered the experience with the retail Tariff filing and approvals over the previous years and in consultation with the SPs has concluded that the following Instructions will provide an improved basis for this process.

This Instruction is not a standalone document and has to be read in conjunction with the Applicable Regulatory Framework (**ARF**).

A Tariff is defined in the Licences and the Executive By-Law as:

> *"any statement of prices, rates, charges or other compensation of any form (including related service descriptions or terms and conditions such as rebates, waivers or discounts) offered by a Service Provider regarding any of its services"*

A Tariff Document contains the details of an Offer by the SPs to the public. An Offer can either be permanent (Permanent Offer with a Permanent Tariff) or temporary (Promotional Offer with a Promotional Tariff).

As requests for retail Tariff approvals are as diverse as the imagination of Product Managers, this Instruction **cannot** cover all possibilities and product variants, but is rather intended to give ictQATAR's understanding and the principles.
Therefore ictQATAR reserves the right to consider other elements where appropriate. If ictQATAR were to take an approach which involves a significant departure from this Instruction then ictQATAR would provide notification and an explanation.

The legal basis for this Instruction is set out in chapter 3 Legal Basis. The provisions in the Qatari ARF base the obligations of the SPs on whether they are DSP or non-DSP.
Chapter 4 sets out the obligations of all SPs, whereas Chapter 5 details the obligations of a DSP specifically.

Question 1	Respondents are invited to give their reasoned comments in general to this CD.

3 Legal Basis

The following legal provision provides a basis for these Instructions, but not exhaustively:

The general objectives for ictQATAR are set out in Article (2) of the Telecommunications Law of 2006 (**Telecommunications Law**). The elements applicable to Tariff Regulation include:

i. Promoting the telecommunications sector in order to consolidate national, social and economic development;
ii. Enhancing the telecommunications sector's performance in the State of Qatar through encouraging competition and fostering use of telecommunications services;
iii. Increasing customers' benefits and safeguarding their interests;
iv. Identifying and addressing anti-competitive practices in the telecommunications sector;

Article (4)4 of the Telecommunications Law 34 of 2006 allows ictQATAR to set and enforce appropriate remedies to prevent Service Providers from engaging in or continuing anti-competitive practices

Article 4(8) of the Telecommunications Law empowers ictQATAR to safeguard the interests of customers, including setting rules for Tariff regulation.

Article (6) of the Executive By-Law for the Telecommunications Law of 2009 (**Executive By-Law**) empowers ictQATAR to take measures, actions and decisions as it deems appropriate to ensure that Licensees and Service Providers comply with the provisions of the law, the By-law and the provisions of the licenses or to remedy their breaches.

Article (26) of the Telecommunications Law empowers ictQATAR to determine the elements necessary for the provision of Tariff offers, their approval and publication in respect to telecommunications services. IctQATAR may also set out other rules for regulating prices and Tariffs including the implementation of any programme for rate rebalancing or price cap.

Article (54) of the Executive By-Law provides that ictQATAR shall have the authority to review all Service Provider tariffs, including wholesale and retail tariffs, and to determine any requirements regarding tariffs, their approval and publication, and the ictQATAR may issue regulations or orders to regulate the tariffs of Service Providers.

Article (51) of the Telecommunications Law provides that Service Providers must provide the consumer with the terms of the service and any other terms and conditions and all Tariffs, rates and costs applicable to any telecommunications service.

Clause 3 of the Individual Licenses authorizes the Service Providers to provide the specified telecommunications networks and services in accordance with the terms and conditions of the Licenses and its annexures, relevant legislation, international treaties, and any regulations, including instructions issued by ictQATAR before or after the effective date of the Licenses. Accordingly, ictQATAR may from time to time issue additional requirements as part of the terms and conditions of the Licenses which are binding on the service providers.

The key provisions concerning retail Tariffs (consumer and business) are prescribed in:

i. Chapter Six, Articles (26) to (33) of the Telecommunications Law;
ii. Chapter Five, Articles (54) to (60) of the Executive By-Law; and
iii. Clause 14 and Annexures D[2] and I[3] of the Individual Fixed and Mobile Telecommunications Licences.

Failure to comply with these Instructions may result in penalties including imprisonment for up to 2 years and/or a fine of QAR100,000 under the Telecommunications Law (Article 70). Additionally, a violation of any term of a License is punishable by imprisonment of up to one year and a fine of QAR1million (Article 67). In case of repeated offences the penalty shall be doubled (Article 72).

In addition to the penalties above, failure to comply with these Instructions may result in penalties and sanctions permissible under the Applicable Regulatory Framework outlined in the Licenses (Clause 17).

Question 2	Respondents are asked whether other relevant parts of the ARF should be taken into account.

[2] Procedures for Implementing and Revising Retail Tariffs
[3] Additional Obligations of Dominant Service Providers

4 Provisions for all Service Providers

4.1 Introduction

This section sets out the provisions, which apply to all SPs, DSPs and non-DSPs. Specific provisions for DSPs, in addition to the provisions in this section, are set out in Chapter 5.

Some provisions in this chapter might be viewed as applicable to DSPs only but ictQATAR believes that they are for the benefit of competition in the telecommunications sector in Qatar as per Article (4)4 of the Telecommunications Law[4]. The measures in this chapter also address the wider role of ictQATAR to promote the telecommunications sector in order to consolidate national, social and economic development while increasing the benefits of telecommunications to customers and safeguarding their interests.[5]

When reviewing a Tariff, ictQATAR takes *inter alia*, but not limited to, the following factors into account:

- Enhancing the telecommunications sector's performance in the State of Qatar through encouraging competition and fostering use of telecommunications services.
- Encouraging the introduction of advanced and innovative information and telecommunications technologies to meet the needs of customers and the public.
- Increasing customers' benefits and safeguarding their interests.
- Relying, where possible, on market forces to safeguard the interests of customers and the public.
- Identifying and addressing anti-competitive practices in the telecommunications sector.
- Ensuring that the regulation of the telecommunications sector remains in line with international rules.
- Ensuring the orderly development and regulation of the telecommunications sector.[6]

4.2 Tariff Filing and Tariff Approval

4.2.1 General Provision

All Public Telecommunications Services must be offered pursuant to a Tariff[7]. Any and all of the SPs proposed Tariffs or its modifications (including any discounts and promotions) must be provided to ictQATAR in a format that is clear, legible and easily understood[8].

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[4] Article (4) 4 The Telecommunications Law: setting and enforcing the appropriate remedies to prevent service providers from engaging or continuing anti-competitive practices;

[5] Article (2) 1, 4 The Telecommunications Law

[6] Article (2) The Telecommunication Law

[7] Licences Annexure D 1.2 All Public Telecommunications Services must be offered pursuant to a Tariff in accordance with the following provisions, except with respect to the Tariff filing, review and publication procedures set forth in Sections 1.10.1, 1.10.2, 2 and 3

[8] Licences Annexure D 1.3: The Licensee shall make available to the Supreme Council for its review any and all of the Licensee's proposed Tariffs, or any modifications thereof, for Public Telecommunications Services (including any discounts and promotions). All approved or notified Tariffs must be provided in a format that is clear, legible and easily understood. The Licensee shall ensure that all Tariffs are complete, with full details of all charges, terms and conditions of the Tariff including the charges for any services or equipment not otherwise subject to Tariff control that are included in as part of a service.

The SP must ensure that the terms and conditions of the Tariff shall identify, among other things, the products and services on offer, related products and services, objectives of the offer, whether or not it is a promotion or a readjustment, a clear statement of the applicable prices and the units to which they apply, rounding practices, use of increments, any minimum commitment periods or minimum volumes, cancellation policies, special considerations, the period of the Tariff, and any other elements of the offer that are material to the service provided to the Customer and the consideration to be paid.

All SPs must ensure that all Tariffs are complete, with full details of all charges, detailing terms and conditions of the Tariff including the charges for any services or equipment not otherwise subject to Tariff control that are included in as part of a service. SPs are not permitted to make any unilateral changes to the Terms of Service. Any proposed changes to a set of Terms of Service must be submitted to ictQATAR for approval prior to application.

Tariff Documents must be written in plain language and be easily understandable by a typical consumer.

4.2.2 Tariff Filing

A DSP has to file a new Tariff or a modification on an existing Tariff at least twenty-eight days in advance of the proposed effective launch date with ictQATAR for its approval.
For Non-DSPs the Review Period is twenty one days after the launch of the Tariff.

ictQATAR is concerned that the current tariff approval process for non-DSP's makes it difficult if not impossible to withdraw a tariff from the market once launched. ictQATAR is therefore inviting comments on the following proposal for SPs who have a market share in excess of 15% in a specified market.. The SP must file with ictQATAR any proposed Tariff or Tariff modification no later than fourteen days prior to the date on which the Tariff is commercially launched or made effective for ictQATAR's approval.
For an SP who is ruled to be dominant under the MDDD process the DSP process will take precedence.

In cases where the SP is reacting to an unforeseeable event ictQATAR will endeavour on a case by case basis to respond to the SP in a timely manner.

Question 3	We ask for comments on the introduction of a specific filing process for SPs with greater than 15% in a specified market.

New Tariffs must be submitted to ictQATAR in the forms set out in Annex II Tariff Document Template - Consumer and Annex III Tariff Document Template – Business.
Modifications to existing Tariffs must be submitted with the form as set out in Annex IV Tariff Modification Form on page 38.

All Tariff submission and Tariff related notification from SPs must be sent to the email address tariffs@ict.gov.qa, the individual members of the tariff team should be copied in the email to ensure a swift process.

Tariff submissions to ictQATAR should contain the relevant marketing names of the Tariff or Offer. ictQATAR does not wish to regulate marketing terminology but is keen to ensure that subscribers are not misled or confused by the way an offer or Tariff is presented[9].

Unless otherwise explicitly specified by ictQATAR, the SPs must deliver any and all requested information to ictQATAR relating to any Tariff, including costs, revenues, terms and conditions and methods of composing the Tariff[10].

For the avoidance of doubt the Tariff Filing requirement involves all and any

> *any statement of prices, rates, charges or other compensation of any form (including related service descriptions or terms and conditions such as rebates, waivers or discounts) offered by a Service Provider regarding any of its services.*

This includes so called "framework agreements", discount schemes and bonus schemes.
For the avoidance of doubt, this includes all tariffs of a SP regardless to whether the services are rendered in Qatar or outside (e.g. roaming and calling cards).

4.2.3 Failure to Submit a Tariff

Any failure to submit proposed Tariffs shall be considered a violation of this License and be subject to the imposition of appropriate sanctions or penalties, such as but not limited to:

- An order to officially withdraw the Tariff
- Provide refunds or other compensation to affected Customers
- Issue an order that all events should be re-rated as per the previous approved tariff

ictQATAR may also release from or re-impose obligations in respect of particular markets or price categories.[11]

4.2.4 Tariff Meetings

Tariff Meetings with ictQATAR are an opportunity for open, mutual discussion. These meetings are designed to take place on a technical/expert level, and to be fact-based. It has been proven, that the presence of the relevant Product Manager(s) to discuss issues with Tariff Proposals is conducive to a clear understanding by both sides of the proposal and issues.

All official positions between ictQATAR and the SP must be exchanged in writing.

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[9] Article (50) 2 The Telecommunications Law The General Secretariat may set the rules regulating the preparation, development and implementation of the consumer protection policy in connection with:
2- terms of the provision of services, their approval, publication and advertising

[10] Licences Annexure D 1.7: Following receipt of a written request from the Supreme Council seeking information to any Tariff, including costs, revenues, terms and conditions, and methods of composing the Tariff, the Licensee shall deliver the requested information to the Supreme Council in a concise and reasonably detailed manner within the timeframe specified in the request.

[11] Licences Annexure D (1.11): Unless otherwise provided in Annexure J with respect to the Licensee's Initial Tariffs, any failure by the Licensee to submit its proposed Tariffs to the Supreme Council for review, approval or to provide the required notice to Customers in accordance with these provisions shall be considered a violation of this License and be subject to the imposition of appropriate sanctions or penalties. Where justified under the circumstances, the Supreme Council may also order the Licensee to officially withdraw the Tariff, or provide refunds or other compensation in an appropriate form to affected Customers or Customer groups. The Supreme Council may also release from or re-impose obligations in respect of particular markets or price categories.

We also encourage all SPs to use these Tariff meetings to informally discuss with ictQATAR Offers before the official Tariff filing or the launch of the Offers.

A Tariff meeting is considered equivalent to a filing by the SP and will therefore re-start the Review Period (As discussed in section 4.2.5).

Question 4	We ask for suggestions to improve the Tariff filing process.

4.2.5 Review Period

	DSP	SP with 15% + market share	Non-DSP in general
Review Period	The Review Period for Tariff submissions is 28 days during which ictQATAR will approve, reject or request further information.	The Review Period for Tariff submissions is 14 days during which ictQATAR will approve, reject or request further information.	For Non-DSPs the Review Period is 21 days after the launch of the Tariff. During the Review Period ictQATAR may (a) approve or (b) object to the Tariff and order its suspension, modification or withdrawal, or (c) extend the period for review. ictQATAR may request further information from the SP to aid this decision.[12]
Additional information needed	When additional material and clarifications in respect to the consideration of Tariffs are requested by ictQATAR to a SP during the review Period, the Review Period will be automatically extended on receipt of an email, official letter or agreed meeting minutes. The Review Period will be restarted once the required material and clarifications are fully received by ictQATAR. The Review Period is counted in calendar days. The requested information must be delivered to ictQATAR within 1 week. Failure to do so will be considered as a withdrawal of the Tariff application of the SP and will result in an administrative closure of the Tariff application by ictQATAR.		

Figure 1 Tariff Review Period - overview

In any case, ictQATAR endeavours to deal with all submissions as swiftly as possible.

4.2.6 Tariff Approval

After the SPs delivers the Tariff Proposal ictQATAR has a Review Period (see 4.2.5 above) in which to (a) approve or (b) object to the Tariff and order its suspension, modification or withdrawal, or (c) extend the period for review.
If ictQATAR objects to a Tariff Proposal or extends the period for review, it shall inform the Licensee of the reasons for its decision.[13][14]

[12] Licences Annexure D 1.7: ibid

[13] Licences Annexure D 2.1, The Licensee shall deliver to the Supreme Council any proposed Tariff or Tariff modification in both paper copy and electronic "read-only" format no later the date on which the Tariff is commercially launched or made effective. The Supreme Council shall have a period of twenty-one (21) days thereafter in which to (a) approve or (b) object to the Tariff and order its suspension, modification or withdrawal, or (c) extend the period for review. If the Supreme Council objects to a Tariff or extends the period for review, it shall inform the Licensee of the reasons for its decision. The procedures and timetable for

ictQATAR typically issues the following forms of approval:

i. **Full approval**
Tariffs Proposals that fully meet all requirements.
These Tariffs Proposals are approved to be launched within the implementation period (see 4.2.7 below).
A Tariff that is notified to ictQATAR by a non-DSP will be considered to be automatically approved unless ictQATAR registers an objection or requests additional time for review.

ii. **Postponed**
Tariffs Proposals that require further information or cost justification.

iii. **Conditional approvals**
These Tariff Proposals meet the requirements only partially. SPs might be e.g. requested to submit statistics/usage information or parts of the Tariff Proposal might be approved. ictQATAR will set the conditions of the approval out clearly and give justification. ictQATAR endeavors to discuss the conditions with the SP prior to sending the official communication.
If the conditions of the approval are not clear to the SP, it is the SP's obligation to request the necessary clarification immediately.

iv. **Interim Decision**
ictQATAR may issue an interim decision for pending Tariffs while further evaluation of the Tariff takes place. Following this evaluation the Tariff may be approved or the approval may be revoked.[15]

v. **Rejection**
Tariff Proposals that do not meet the requirements and hence cannot be approved by ictQATAR and will be rejected. A rejection will be accompanied with an explanation from ictQATAR. ictQATAR will respond to all Tariff Proposals in writing.

4.2.7 Time for Implementation of Tariffs

All approved Tariffs have six (6) months validity for service provider to implement from the date of ictQATAR full approval.
Approved Tariffs not implemented within this timeframe are to be resubmitted to ictQATAR for evaluation prior to implementation.

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extended review of a Tariff or consultation proceedings with respect thereto shall be set forth in (a) a notice of objection issued by the Supreme Council, or (b) the Applicable Regulatory Framework.

[14] Licenses Annexure D 3.2: If any Dominant Service Provider proposes to introduce or modify a Tariff, the proposed Tariff shall be filed with the Supreme Council at least twenty-eight (28) days in advance of the proposed effective date of the Tariff. The Supreme Council shall have twenty-eight (28) days in which it may (a) approve or (b) object to the Tariff and order its suspension, modification or withdrawal, or (c) extend the period for review. If the proposed Tariff involves any increase in price, the proposed Tariff shall be notified to Customers at least twenty-one (21) days in advance of the effective date of the Tariff, or such other period or date specified by the Supreme Council. Such notification can be made by means of newspaper or other advertising or by such other means as the Supreme Council may specify.

[15] Article (30) The Telecommunications Law: Interim Tariff Approval: The General Secretariat may issue an interim decision for the approval of any temporary Tariff pending completion of its evaluation and the General Secretariat may amend such decision, make it final or revoke it.

4.3 Publication and Transparency

Each Service Provider shall publish the following information on its website:

(1) Standard Terms and Conditions (**T&Cs**)

The current version of any terms of service or other standard customer terms and conditions as approved by ictQATAR.

(2) Its Tariffs, rates and charges for any equipment or services, including all approved Tariffs and proposed Tariff changes which have been filed with ictQATAR in accordance with Article (54) of this By-Law. This must include the effective date of the Tariff[16]. This must happen no later than the start of the day on which the Tariff is being offered.

(3) The official website address and other contact information of the Supreme Council, along with a clear statement that the Service Provider is regulated by the Supreme Council under the Law, this By-Law and any other applicable laws, and that customers and other Service Providers may contact the Supreme Council if they are unable to resolve disputes with Service Providers.

(4) A user-friendly navigation system that allows a customer to locate the above mentioned information easily.[17]

Tariff Documents must be available for customers to access at all of the SP's business premises[18]. If a customer requests a Tariff Document the SP needs to produce such a Tariff Document without undue delay, e.g. by printing it out from the SP's webpage.

ictQATAR can oblige the SP to publish Tariffs in every telephone directory[19]. Currently ictQATAR is not convinced that this is measure is necessary.

In the case of a price increase, the proposed Tariff shall be notified to Customers at least 21 days in advance of the effective date of the Tariff, or such other period or date specified by ictQATAR.[20]

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[16] Licences Annexure D 1.6: The Licensee shall provide adequate notice to the public of any proposed Tariffs in accordance with the Applicable Regulatory Framework. The Licensee shall publish the Tariff and prominently display the details of the Tariff, including its effective date, on its website in a manner that enables remote access to the public free of charge. Unless the Supreme Council has consented to or instructed the Licensee in writing to suspend or terminate the publication of Tariffs on the Licensee's Website, the Licensee shall maintain such publication continuously during the entire term of validity of the Tariff and for an immediately subsequent period of no less than six (6) weeks. Any Tariff that is no longer in effect will be clearly marked as such, including the date of termination or expiry and a reference to any superseding Tariff.

[17] Article (97) of the Telecommunication By-Law

[18] Licenses Annexure D (1.5): The Licensee shall maintain paper copies of its Tariffs at its business premises in a location that is accessible to its Customers or potential Customers, and copies shall be readily available for inspection, free of charge and during regular business hours. No later than five (5) days following receipt of a written request from a Customer, the Licensee shall send to the Customer a copy of a Tariff, or the relevant portion thereof, for a charge that shall not exceed the reasonable cost actually incurred by the Licensee to accommodate the Customer's request.

[19] Article (99) of the Telecommunication By-Law

[20] Licences Annexure D 2.2: All proposed Tariffs involving a price increase shall be notified to Customers at least twenty-one (21) days, or such other period as the Supreme Council may specify, in advance of the effective date of the proposed Tariff. Such notification may be made by means of newspaper or other advertising or by such other means as the Supreme Council may specify.

In case of recurring charges, any increase in price has to be announced at least one chargeable period in advance i.e. at least one month in advance in the case of a monthly recurring charge.
The SPs are obliged to publish any increase in price in one local Arabic newspaper and one local English newspaper. For mobile subscribers any price increases have also to be announced via SMS/USSD.

Any failure to formally publish an approved Tariff on the regulatory pages of the SPs website will render the approval void. In such circumstances ictQATAR reserves the right to order a re-rating of all chargeable events at the previously approved rates.

4.4 Compliance, Investigation and Information requests

ictQATAR can investigate any Tariff after it has been approved. The reasons that would cause an investigation to be started, include *inter alia,* but are not limited, to:

- A change in the competitive market place
- A complaint or issue raised by a customer
- A complaint or issue raised by another SP
- The Tariff implementation is different to the filing, or what could have been reasonably expected from the filing.
- In cases where Tariffs are built on each other (underlying Tariff and dependent Tariff) the change in the underlying Tariff might render the dependent Tariff in conflict with ARF. Hence the dependent Tariff has to be modified or withdrawn.
- Change in the approval conditions, as e.g. a change in the parameters of the cost justification used to gain approval for the Tariff changing (e.g. traffic profile, cost composition, subscription mix of Tariff options)

This effectively means that ictQATAR would start the Tariff Approval Process anew, with the potential result being approval, conditional approval, rejection, interim decision or rejection as described in Tariff Approval 4.2.6

Information Requests

ictQATAR can request information from the SPs to exercise its powers and to enable it to perform its functions.[21] [22] [23] Information requested may include, but is not limited to, cost data and contracts with vendors.

[21] Article (127) Telecommunication By-Law: The General Secretariat may require Service Providers or others to provide it with information that it deems necessary for the exercise of its powers or that enables it to perform its functions.

[22] Article (128) Telecommunication By-Law: Such information shall be provided in the format specified by the Information Request and may include, but not limited to, data that must be calculated or compiled by the recipient of the Information Request, original paper-based documents and information stored in digital electronic format.

[23] Article (62) Telecommunications Law: The General Secretariat may require service providers or others to provide information necessary for exercising its powers, and the information shall be furnished the form, manner and time as the General Secretariat specifies

If an SP does not furnish the requested information, ictQATAR may base its decisions on the best alternative data available to it, including published reports issued by third parties, relevant benchmarks, and reasonable estimates based on known data.[24]

Requested information must be accurate and delivered in the timeline specified by ictQATAR.[25]
Any request for the extension of a deadline has to be accompanied with a substantiated justification and has to be field at least five days before the expiry of the original deadline.[26]
ictQATAR will keep, as a matter of normal business, all information of a commercial nature disclosed to it by the SP strictly confidential.[27]

Violation of the rules regarding provision of information can lead to imprisonment or a fine not exceeding one hundred thousand Riyals with double penalties for repeated infringement.[28] [29]
The enforcement of these penalties can only be carried out the by the Director of Public Prosecution (DoPP).

4.5 Promotional Offers

In contrast to Permanent Offers, Promotional Offers apply only for a limited amount of time. Typical features of Promotional Offers are decreased prices, increased or additional service(s) for the same charge.

ictQATAR recognises that Promotional Offers are an instrument for customer acquisition, retention and additional revenue generation. Promotional Offers are also used as a general marketing instrument.

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[24] Article (132) Telecommunication By-Law: If a recipient of an Information Request does not furnish the requested information within the time stipulated by the General Secretariat, the General Secretariat may base its decisions or any other actions on the best alternative data available to it, and may collect the alternative data from published reports issued by third parties, relevant benchmarks, and reasonable estimates based on known data.

[25] Article (131) Telecommunication By-Law: The recipient of an Information Request shall cooperate fully and shall provide true and complete answers to the questions posed within the timeframe established by the General Secretariat.

[26] Article (129) Telecommunication By-Law: The Information Request shall specify the data that is required, identify the proceeding and purpose for which the data is being collected, and indicate the time period within which the information must be supplied to the General Secretariat. The General Secretariat may extend the deadline for the submission of part or all of the information requested if the recipient of the Information Request provides a convincing justification, in writing, at least five (5) working days before the date on which the information is due.

[27] Article (131) Telecommunication By-Law: The General Secretariat shall take into consideration a request made by the recipient of the Information Request for the confidential treatment of the information provided and the General Secretariat shall ensure that appropriate measures are taken to protect the confidentiality of information, which the General Secretariat determines to be confidential or commercially sensitive.

[28] Article (70) Telecommunication Law: Any person who violates any rules of Articles (18/ paragraphs 4,5,6,7,8), (22), (24), (28), (31), (34/ last paragraph), (38), (41), (43), (44), (45), (49/ last paragraph), (51), (52), (55), (59) and (62) of this Law, shall be punished with imprisonment for a period not exceeding two years and/or with a fine not exceeding one hundred thousand Riyals.

[29] Article (72) Telecommunication Law: In case of repeated offences, the penalty shall be doubled. A person shall be considered a repeat offender if he/she committed any of the offences specified in this Law within three years from the date of the fulfilment of the previous penalty.

Since the inception of competition in Qatar especially the prices for International Direct Dialling (**IDD**) have decreased, albeit recently at a much lower pace.

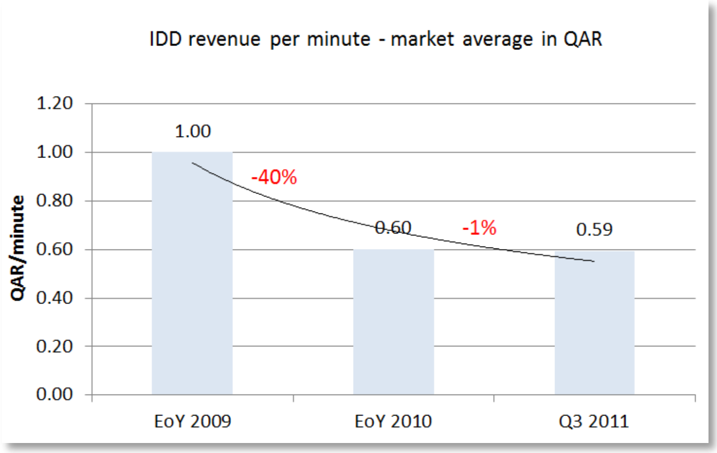

Figure 2 Evolution of international (IDD) prices (effectively paid) in Qatar.30 Source: Strategic Sector Review and ictQATAR estimates

A hallmark of competition is the decline of prices and changes on the permanent rate cards. In 2011 QTel and Vodafone had over two thousand promotion days with at least one promotion every month of the year, with IDD being a large proportion. Despite this flurry of promotions the effective price has reduced only marginally.
ictQATAR is also wary of promotions being used to compete for the most price sensitive customer segments with the result that the rest of the market does not receive the most market efficient pricing via the standard rate card.

ictQATAR is aware that promotional activity can be used to give customers the impression of competition and value in a market place but in actuality be a method for a mature duopoly to maintain mutually beneficial high prices and margins.

Therefore ictQATAR reserves the right to in future to limit the number of promotions and or the number of promotional days that a customer receives.

4.5.1 Duration of Promotional Offers

In contrast to a Permanent Offer, a Promotional Offer is intended for a limited amount of time, typically tailored towards a specific customer segment in order to specially promote a specific service which includes a benefit ("goody") e.g. in form of a discount.

In light of the above and keeping with the special character of a "promotion", ictQATAR proposes to limit promotions or the effect of promotions to four weeks/one month.

Also Promotional Offers must not tie or lock-in customers to long-term contracts. The maximum contract period applicable, following an acquisition promotion, is the Minimum

[30] Source: 2009, 2010 are from Strategic sector review, 2011 data from the SPs websites

Service Period (cf. section 4.6) established by ictQATAR for Consumers and Business Customers.

4.5.2 Repetition of Promotional Offers

In order to keep with the “special” character of a Promotional Offer, a promotion cannot be repeated within twelve months of the expiry of a materially similar promotion.
ictQATAR regards a Promotional Offer as materially similar if 80% or more of the key features of the previous Promotional Offer are repeated. In case of IDD promotions including more than one country; a Promotional Offer is materially similar if the projected revenue of the countries included is 80% or more the same.

For the avoidance of doubt, this does not include flash promotions. Due to the very limited nature of Flash Promotions, the offer within these promotions can be repeated as and when SPs deem them to be fit.

A variation of a promotional offer is also subject to the twelve month interval. This means any promotion that is materially similar to an approved promotion that has expired cannot be offered again for twelve months.

4.5.3 Overlapping Promotional Offers

ictQATAR’s current view is that in order to avoid customer confusion and to keep complexity at a manageable level SPs must only run one Promotional Offer on a Tariff at a time. No overlapping Promotional Offers on a specific tariff are permissible.

Question 5	ictQATAR is concerned with the flurry of promotions, without accompanying changes in the ratecard prices. Respondents are requested to give their general view on promotions.
Question 6	ictQATAR is aware that the limitation on repetition of promotions and overall length of promotions days is imposing limits on the SPs. Respondents are requested to produce **quantitative** evidence of the pro-competitive effects of Promotional Offers.
Question 7	Respondents are requested to submit alternative suggestions with regard to the quantity of Promotional Offers.
Question 8	Respondents are requested to submit alternative suggestions with regard to managing complexity with regard to overlapping Promotional Offers on specific tariffs.
Question 9	Respondents are requested to provide reasoned arguments for shortening or extending promotional periods.

4.6 Handset and Customer Premises Equipment Subsidy and SIM Locking

4.6.1 Mobile Device Subsidies: Handsets and Other Mobile Devices

Currently no (cross-) subsidies for handsets exist in Qatar. Also no “SIM locking” is allowed in Qatar. Currently some (cross-) subsidies exist for data only devices, such as “dongles” and “data hotspot-devices” (mifi).

Handset subsidies have traditionally been justified as a means to increase penetration in a market. With currently prevailing high penetration rates handset-subsidies are in most markets a leftover from the past and an instrument to bind customers with long typically 24 to 36 month contracts to a SP.
Every person in Qatar who wishes to have a handset has one and around 75% of Qatar’s population have a smartphone[31]. ictQATAR therefore believes Qatar has achieved a very high mobile penetration rate and the incentive by handset subsidies is not warranted.

We also note that short term loans from banks are available for customers wishing to purchase a high cost mobile handset.

ictQATAR currently sees no justification for mobile handset subsidies, which are cross-subsidised from one or more Relevant Markets, as defined in the Market Definition and Dominance Designation[32].

In the presence of device subsidies customers are most likely to use devices from SPs and to a much lesser extent from the individual dealer. This has effectively the potential to significantly reduce competition in the device market.

For the avoidance of doubt, this includes all fixed and mobile devices and Customer premise equipment (**CPEs**), including “mobile phones”, “dongles” and “mifi” data hotspot devices.
In order to allow for a realistic phase-out of (cross-) subsidies of such devices ictQATAR suggests ceasing these (cross-) subsidies by 31 March 2013.

Question 10	Respondents are requested to submit their views on mobile device subsidies and extended contract periods. In case Respondents have an opposing view, they are requested to submit reasoned argument and evidence for their view.

[31] http://www.ictqatar.qa/en/documents/document/qatar-smartphone-market-q4-2011-syndicated-report-executive-summary accessed 1 Jun 2012

[32] e.g. M2 Public national telecommunications services at a fixed location, M 3 Public international telecommunications services at a fixed location and via a mobile device, as in MDDD 2010 Notice and Orders http://www.ictqatar.qa/sites/default/files/documents/MDD_Notice_English.pdf accessed 1 June 2012

4.6.2 Fixed Device Customer Premises Equipment (CPE) Subsidies

Currently some data-only CPE like WLAN routers and Set Top Boxes (**STB**) are cross-subsidised by revenues from Relevant Markets, e.g. WLAN routers are being paid for by ADSL subscription revenue.

Also the fixed line market is characterised by a high penetration. Qatar has over three hundred thousand fixed lines[33] and broadband penetration of at least 69%[34].

These markets can be considered as saturated. If the intention of (cross-) subsidies was to increase penetration this goal has been fulfilled.

As set out above ictQATAR sees currently no pro-competitive effect from handset subsidies. ictQATAR strives to be technology neutral regulator. In the presence of high saturation rates ictQATAR sees no justification for CPE subsidies.

As for mobile devices fixed CPEs have to be bought up-front by the customer.

In order to allow for a realistic phase-out of (cross-) subsidies of such devices ictQATAR suggests to cease these (cross-) subsidies by 31 March 2013. After this date CPEs have to be bought separately by the end-customer.

Question 11	Respondents are requested to submit their views on fixed device (cross) subsidies. In case Respondents have an opposing view, they are requested to submit reasoned argument and evidence for their view.
Question 12	ictQATAR is aware that some CPE is “network specific”, in the sense that it has to be obtained from the SP and **cannot** be bought on the general market. Respondents are requested to supply well founded arguments why the cost of such CPEs should be given “for free” to the customer.

4.7 Minimum Service Period, Commitment Period and Cancellation Policy

Minimum Service Period

The Minimum Service Period is intended to recuperate potential acquisition costs. As typically acquisition costs are rather small, given that there is a constant supply of new customers due to both population increase and migrant worker turnover there is an argument that the Minimum Service should be a billing cycle or even less.

In the current state of competition and development of the market ictQATAR is of the view that in the normal course of business a Minimum Service Period of **three months** is suitable to recuperate initial acquisition costs and at the same time does not impose unrealistic hurdles for consumers to change operators. If the operator can demonstrate an objective

[33] QTel q1 2012
[34] QTel DSL connections q1 2012 over 2010 QSA Households

reason why it is necessary to offer a longer minimum service term ictQATAR will evaluate this evidence on a case by case basis.

If a customer wishes to cancel the subscribed service within the Minimum Service Period the customer has to pay the charges for the full Minimum Service Period to the Service Provider.

For the avoidance of doubt, the Minimums Service Period must not be confused with the contract period. SPs are free to sing e.g. open-ended contracts, provided that a customer can terminate after the Minimum Service Period.

Commitment Period

The Commitment Period refers to an agreement between the SP and the subscriber under which the subscriber commits to use the service for an extended period in exchange for a benefit. For the avoidance of doubt, the Commitment Period starts at the inception of the Service and hence includes the Minimum Service Period.
Overly long Minimum Service Periods and Commitment Periods could have the effect of limiting competitive market forces and might serve as a substantial barrier to change SPs or as barrier to entry and hence limit competition.

ictQATAR believes the “benefit” provided to the customer poses a number of problems from a regulatory point of view.

- It might constitute a loyalty discount, intended to restrict customers changing to a different Service Provider and hence inherently not pro-competitive.
- The benefit is impossible for the customer to quantify: any discount from the current Tariff cannot be evaluated in the light of unknown future price changes. In a competitive telecoms market typically prices are eroding over time.
- The benefit may represent a bundling of prices from multiple Relevant Markets, i.e. handset and telecommunication service usage. Arguably, the purpose of this bundling is to disguise the true cost of the individual elements from the consumer. The customer in total pays more for the bundle than if he would acquire the services separately under market conditions. Therefore such bundling is ultimately not in the consumer’s best interest.
- The benefit to customer may be overstated: using handset exclusivity to tie customers into an extended commitment period ignores the fact that the global handset market will meet demand for any particular device with disregard to a manufacturer’s wishes.

ictQATAR may accept a pure amortisation model for expensive CPE/install charges where the cost of is not bundled (i.e. business CPE is amortised over n months where there is no possibility of re-use the outstanding amount can be reclaimed from the customer during the remaining months of the original n months).

As set out above ictQATAR is not of the view that the benefit involved in extended commitment periods are pro-competitive or warranted under the current market conditions. Therefore ictQATAR does not consider a Commitment Period as necessary.

ictQATAR is aware that currently extended Minimum Service Periods exist. Such contract terms are to be phased out by 31 Dec 2012.

Question 13	Respondents are requested to submit their views on the Minimum Service Period and Commitment Period with supporting evidence.

4.8 Minimum Validity Period of Credit

Validity periods of pre-paid products, scratch cards, vouchers, top up credit and bonus credit should be applied in a fair, non-discriminatory way, as the "standard credit" which is to conform to the reasonable expectations of customers and prevent confusion or mislead customers.

Credit limit	Duration	Explanation
Standard credit validity	(6) months or longer	For including, but not limited to, pre-paid products vouchers, top up credit and bonus credit.
<= QAR 10	30 days or longer	For including, but not limited to, pre-paid products vouchers, top up credit and bonus credit In order to ensure an efficient use of numbering space and IT resources.

Tariffs which include specific bundles of minutes/messages/data allowance should specify the period for which the included bundle remain valid, i.e. a monthly package of 10 min for 1 QAR per month must specify whether the 10 minutes will expire after one month, roll over to a second, third etc. month and then expire or continue rolling over as long as the customer subscribes to the plan.

Question 14	Respondents are requested to submit their views on the Minimum Validity of Credit and offer supporting evidence on why the proposed limits should be changed.

4.9 Easy To Remember Numbers

The allocation and assignment of numbers does not grant any ownership or special rights other than the right of use by a Service Provider or by its customers whether such assignment or allocation is in return for a fee or not.

Currently ictQATAR has no objection that SPs charge for "easy to remember" (**ETR**) / "premium numbers" with the condition that all charges from the subscriber will go entirely to charities / Corporate Social Responsibility (**CSR**) purposes.
The SPs are obliged to keep records of this, which might be audited at any time by ictQATAR.

4.10 Geographic Differentiation of Charges

Qatar is a small country with a majority of the population residing mostly in the area of "Greater Doha", i.e. the stretch Al-Khor – Doha - Wakra. Currently all operators have national licenses.

ictQATAR would be concerned about a (geographic) micro-segmentation and fragmentation of the telecommunications markets in Qatar. Higher prices in some (geographic) micro-

segments are a sign of low competition, unlikely market entry, little countervailing buying power and locked-in customers.
Any such market fragmentation can have an adverse effect for the consumer. Consumers are used to call rates and charges which apply equally to the whole country. Any differentiated rates cause potentially confusion and are to the detriment of the consumer. It could also produce some unwarranted social effects, where customers in the country side/lower income areas would pay more for telecommunication services, than customers in the cities.

ictQATAR finds that nationally differentiated Tariffs are not beneficial for the development of the telecommunication sector. Unless specifically approved by ictQATAR, the pricing of all Offers are to be uniform over all Qatar.

For the avoidance of doubt, this includes promotional offers and potentially “cell based charging”.

Question 15	Respondents are asked about their view on Geographic Differentiation. Respondents are requested to quantify the consumer benefit of geographically differentiated charging.

4.11 Undue Discrimination

The License in Annexure D 1.8 for all SPs states that:

> …*the Licensee shall ensure that with respect to the application of any discount or promotional schemes offered or granted to any Customers or potential Customers, the Licensee shall not afford any undue preference to, or exercise undue discrimination against, a particular Person or Persons of any class or description. Notwithstanding the above, nothing in this provision shall be interpreted to prevent the Licensee from making offers to particular Customers or Customer groups where there is an objectively justifiable basis for such differential treatment.*

ictQATAR views this clause as meaning *inter alia* but not limited to that any Person regardless of nationality or gender can sign up to a specific offer.
This does not deter the SPs from “below the line” advertising, e.g. by SMS/USSD only.

5 Specific Provisions for Dominant Service Providers

In addition to the provisions set out in section 4 "Provisions for all Service Providers" above Dominant Service Providers (DSP) have additional obligations.[35].
DSPs are for example not allowed to

- Engage in predatory pricing[36]
- Price excessively
- Engage in a price-margin squeeze[37]
- Pricing below cost
- Discriminate
- Cross subsidise cost or revenue from one telecommunications service to another

Some of the safeguards to prevent anti-competitive behavior are described in more detail in the remainder of this section.

The designation of a SP as having a Dominant Position in one or more Relevant Markets is carried out from time to time by ictQATAR[38].

It is ictQATAR's responsibility to monitor and prohibit the abuse of market power or anti-competitive practices in the telecommunication sector in QATAR.[39] All Tariffs from a DSP must be approved by ictQATAR before being implemented.[40]

[35] E.g. Article (43)6, 7 and 9 of the Telecommunications Law. Under these provisions, it is prohibited for a DSP to supply competitive telecommunications services at prices below long run incremental costs or any other cost standard specified by ictQATAR.
Article (43) of the Telecommunications Law states specifically:
6 - Supplying competitive telecommunications services at prices below long run incremental costs or any other cost standard specified by the General Secretariat.
7- Using revenues or transferring a part of cost of a specific telecommunications service to subsidise another telecommunications service supplied
9- Performing any actions that have the effect of substantially lessening competition in any telecommunications market

[36] Licences (3.6) Predatory Pricing: A DSP will not sell retail telecommunications services at a price that is less than average variable cost. In addition, a DSP may not sell retail telecommunications services at prices above average variable cost but below total cost where this is likely to exclude an efficient competitor from the market.

[37] Licences (3.8) Price Squeezing: A DSP will not provide a public telecommunications service, or provide access to any facility, that another service provider requires in order to provide a retail telecommunications service at a price that is so high that an efficient service provider could not profitably sell its retail telecommunications service. In particular, the DSP may not offer a wholesale telecommunications service at a price that exceeds the price for an equivalent retail telecommunications service, unless the service provider provides justification to, and receives written authorisation from, the Supreme Council.

[38] Cf. the recent Market Definition and Dominance Designation 2010
http://www.ictqatar.qa/sites/default/files/documents/MDD_Notice_English.pdf accessed 3 Jun 2012

[39] Article (40) (4) of the Telecommunications Law: 4- monitor and prohibit any abuse of market power or dominant position and anti-competitive practices in accordance with this Law

[40] Article (31) of the Telecommunications Law: Compliance with Tariffs: The dominant service provider must not apply or change any Tariffs, prices or charges or any other consideration that are contrary to the Tariffs approved by the General Secretariat. Any agreement or arrangement between the service provider and the customer to the contrary is prohibited

Accordingly, the Tariff submissions from DSPs are subject to extensive analysis involving various aspects of economic regulation, including the possibility of: supplying below cost, excessive pricing, discriminatory pricing, predatory pricing, price margin squeeze, anti-competitive tying or bundling arrangements, loyalty discounting, selective discounting, or other anti-competitive practices.[41]

The price floor methodology proposed in this document will also be the standard procedure for evaluating any apparent below-cost pricing from Service Providers.

5.1 Prohibition of Unjustified Discrimination

In addition to the provisions on discrimination in section Undue Discrimination 4.11 DSPs must not discriminate and should offer equivalent terms and quality of service for all customers including Tariffs.

> *Article (44) of the Telecommunications Law: Dominant service providers shall offer equivalent terms and quality of service for all customers including Tariffs, and the General Secretariat may permit differing terms if such terms are objectively justified based on differences in supply conditions including different costs, traffic volumes, or shortage of available facilities or resources. This prohibition shall also apply between customers who obtain a service for resale to their end customers.*

The Licence in Annexure D 1.8 expands on this referring to[42]

> *… In addition, the Licensee shall ensure that with respect to the application of any* ***discount or promotional schemes*** *offered or granted to any Customers or potential Customers, the Licensee shall not afford any undue preference to, or exercise undue discrimination against, a* ***particular Person or Persons*** *of any class or description. Notwithstanding the above, nothing in this provision shall be interpreted to prevent the Licensee from making offers to particular Customers or Customer groups where there is an objectively justifiable basis for such differential treatment.*

Differing terms may only be permitted if they can be objectively justified based on differences in supply conditions including differing costs, traffic volumes or a shortage of available facilities or resources. ictQATAR expects such objective justifications to be typically based on cost.

The DSP must submit to the ictQATAR sufficient justifications regarding any discrimination on a case by case basis and must cease the discrimination upon receipt of a notice in this regard from ictQATAR

5.2 Cost Measures

5.2.1 General Provisions in the ARF

Article (29) of the Telecommunications Law requires Tariffs of DSPs to be based on the cost of efficient service provision without excessive charges. [43]

[41] Licenses Annexure I (3) Abuse of Dominant Position
[42] Emphasis added

Article (43)(6) of the Telecoms Law provides that it is not permissible to supply telecommunications services at prices below incremental costs or any other cost standard specified by ictQATAR.

Currently ictQATAR ensures that prices of DSPs are at or above cost. Nevertheless, Article (60) of the Telecommunication By-Law provides for ictQATAR to issue notices that prescribe guidelines or set out directions regarding methods of price control and their implementation. ictQATAR may use these provisions in markets which display market failures.

5.2.2 Cost Base and Cost Standard

The current cost calculation regime, as set out in the Regulatory Accounting System (**RAS**) Direction and Instruction[44] is Fully Allocated Cost (**FAC**), based on Historical Cost Accounting (**HCA**). A RAS exercise is essential to identify cost of services provision so that ictQATAR can ensure that Tariffs do not contain below cost charges or any excessive charges. A RAS can also help to identify cross-subsidisation and other anti-competitive behaviour.

Therefore, ictQATAR requires cost justifications which satisfy this approach, including that all relevant cost elements (wholesale and retail) are taken fully into account. Relevant parameters and assumptions used in calculations have to be made transparent and be fully explained.

At a minimum, these include origination and termination costs, retail costs and or any other cost element incurred and considered as an input for the proposed price of a particular permanent and promotional retail offer.

5.2.3 Price Floor Formula

In the absence of an approved current RAS, which would provide accurate cost information in the required granular form, ictQATAR applies cost ‘proxies’ to estimate the price floor for providing telecommunications services. These cost proxies establish price floors. ictQATAR is reasonably certain that any retail price above such a calculated price floor is above cost.

Calculation of the price floors

For international calls, originated from a mobile device

Retail price floor for IDD calls = $(MOR + IOT) \times (1 + RMU + CRF) / (1+G_{IDD})$

For national calls, originated from a mobile device

Retail price floor for national calls =

$(MOR + MTR*\%MT + FTR * (1-\%MT)) \times (1.3 + RMU + CRF) / (1+G_{NAT})$

This formula, in its generic format applies to key services and other services like, but not limited to, SMS, MMS and national calls. The origination and termination component is

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[43] Article (29) Excessive Fees

The Tariff for telecommunications services provided by dominant Service Providers must be based on the cost of efficient service provision and the Tariff must not contain any excessive charges which result from the dominant position that the Service Provider enjoys.

And the General Secretariat may issue decisions along with justifications to amend the Tariffs where it finds that they are not in line with the cost of the service provision, provided that such decision must prescribe the new Tariff amount.

[44] Cf. Direction and Instruction of 8 August 2010 (ICTRA 08/10)

calculated as a weighted average. This reflects e.g. origination from fixed and mobile networks and IDD termination to various countries or group of countries.

Mobile Origination Rate (**MOR**)	MTR is taken as a proxy
Mobile Termination Rate (**MTR**)	as set by ictQATAR and reflected in the contracts between the SPs[45]
Fixed Termination Rate (**FTR**)	as set by ictQATAR and reflected in the contracts between the SPs[46]
Inter Operator Tariff (**IOT**)	out-payment of the local operator for terminating the call abroad. This is supplied by SP for the destination in question. If more than one country is included in the offer the weighted average of all of these countries is taken
%**MT**	Percentage of calls termination on the mobile network
1-%MT	Percentage of calls termination on the fixed network
Retail Mark-Up (**RMU**)	In order to arrive at the total cost per/ minute, retail costs such as those for marketing, advertising and billing must be taken into account. An international best practice used to account for these costs is to add between 20% to 30% as retail mark-up to the wholesale cost. To be prudent, ictQATAR has consciously chosen the higher end of the benchmark (30%) for these costs
Compound Risk Factor (**CRF**)	Proxy formulas and other factors like e.g. Projection of usage figures involves inherent uncertainties. The Compound Risk Factor (CRF) is used in order to mitigate the risk that these uncertainties may cause the offer to be below cost[47]
Granularity National (**G_{NAT}**) and Granularity International IDD (**G_{IDD}**)	express the difference between the actual (technical) call in exact seconds, versus the billed duration, which is always rounded up to the next full minute (60 sec increment). In Qatar calls are typically charged per full minute (also referred to as "60/60"). This means that if the actual call duration is 61 seconds, the customer is charged for a full two minutes (120 seconds). Therefore the average call duration of calls has to be taken into account when calculating the price floor. Including the "granularity factor" in the formula produces a minimum advertised price. As the "granularity factor" can be significant (i.e. short phone calls), the advertised price can be significantly lower

[45] Determination on Interconnection Charges between Vodafone and QTel of 10 Feb 2009 http://www.ictqatar.qa/sites/default/files/documents/InterconnectionCharges_QTel&Vodafone.pdf
[46] ibid
[47] Notice on Revised Interim Rules for Retail Tariff Assessment Ref: RA-ASG/02281211 Date 28/12/2011

than the “pure” rate (e.g. [MOR+MTR] x (1+RMU)) without the “granularity factor”. Therefore the advertised price (AP) has to exceed the price floor. The test for international calls, originated from a mobile device is hence: AP >= (MOR + IOT) x (1 + RMU + CRF) / (1+G_{IDD}).

Mobile and fixed data cost

In the absence of an approved current RAS ictQATAR has no cost-measure for mobile and fixed data. ictQATAR finds currently the retail rate of data in an international comparison rather high and is reasonably certain that this rate is above cost. Hence ictQATAR is using the blended retail rate as a price floor. Nevertheless, ictQATAR is getting increasingly concerned on the absence of an approved current RAS and the absence of reliable cost figures. If ictQATAR finds, in its sole discretion, a price change as potentially disturbing the market ictQATAR will not be minded to approve such a price change, but defer the decision till the DSP can produce objective cost figures, typically out of a RAS. The same applies to cost for leased lines and other products for which ictQATAR has no reliable cost figures.

Question 16	ictQATAR is aware that the formula as presented above is a proxy formula. In absence of a more valid approach ictQATAR suggests using this formula until the DSP’s current RAS has been approved by ictQATAR. Respondents are invited to produce reasoned suggestions whether a different approach should be pursued and how it can be implemented.
Question 17	The Compound Risk Factor (CRF) was introduced recently as an additional safeguard to ensure the validty of the calculated price floor. Being a prudent regulator ictQATAR intends to continue to use the CRF until the DSP’s current RAS has been approved by ictQATAR, which will deliver some better understanding of the DSP’s costs. In case Respondents are not in agreement to this approach, ictQATAR invites SPs to suggest a reasoned counter approach, which is workable and ensures that the calculated price floor is above cost.

5.3 Discounts

The Licences are explicit about discounts: [48]

> *Anti-competitive Discounts - A DSP will not offer a significant discount from the price of any public telecommunications service, not justified by any objective factor, that has the effect of foreclosing another licensed service provider from a significant portion of any public telecommunication services market. In particular, the service provider will not offer:*
> *(a) loyalty discounts, in which the service the provider offers a discount on the condition that the customer not purchase service from another service provider;*
> *(b) volume discounts based on a customer's total expenditure, but that are applied only to charges for public telecommunication services that are subject to effective competition; or*

[48] Licenses Annex I (3.4)

selective discounts that are available only to customers that have the greatest ability to switch to alternative suppliers.

Generally all discounts by a DSP have to be objectively justified. ictQATAR is mindful to facilitate fast approval and does not wish to impose unnecessary administrative burden on the SP, particularly where there is a non-appreciable impact on the market.

5.3.1 De Minimis Provisions for Promotional Offers

In the current market situation in the presence of high EBITDA and profit margins ictQATAR regards the following discounts provisions as justified and not distorting competition as "de minimis" for **Promotional Offers**:

Single service element

Discounts of up to 10% for a single service element for Promotional Offers shall not require cost justification as a standard Tariff approval procedure from ictQATAR.

One month rental off

Discounts of up to one month rental for short term promotional offers shall not require cost justification as a standard Tariff approval procedure from ictQATAR.

Installation fee

Promotional discounts for installation, activation or connection fees of less than or equal to 100% of a single monthly fee shall not require cost justification as a standard Tariff approval procedure from ictQATAR.

ictQATAR will require further information when necessary due to the complexity of the Tariff approval, or any other relevant conditions arising during the approval process.

5.3.2 Provisions for Sector Discounts

Discounts for specific market sectors or geographically differentiated Tariffs (cf. 4.10 Geographic Differentiation above) which do not have objective cost justifications are considered a form of discriminatory pricing and therefore forbidden by ictQATAR.

ictQATAR is currently allowing discounts on existing Tariffs for the Education sector and of up to 20% only. These Sector Discounts are to be phased out by 1st January 2016.[49]

ictQATAR is currently allowing discounts on existing Tariffs for members of the Qatar Society for Rehabilitation of Special Needs (**QSRSN**).
SPs can offer up to 50% discount on their services as part of their Corporate Social Responsibilities (**CSR**) programmes as follows:

- These discounts are applicable to the person with a special need only. No family member of a person with a special need OR employees working in the QSRSN can subscribe to the service.
- If the person with special need cannot subscribe by himself, a family member can subscribe on behalf of him or her.

[49] RA-PETA/03-290611

- A person with a special need can only subscribe to one product of each service category.
- The person with a special need needs to be registered with QSRSN in order to benefit.
- At the end of each January the SP will submit a service-uptake report to inform ictQATAR; per service category: number of subscribers, Number of new subscribers, monthly recurring charges in QAR and excess fees in QAR (where applicable).[50]

5.3.3 Discounts Based on an Extended Payback Period - "Life time calculation"

A "life time calculation" is a calculation which aims to justify a discount based on the value of the customer over the "life time" of their relationship with the SP. Such "life time calculations" can arguably support nearly any discount level.

ictQATAR cannot approve discounts calculated on the "life time" of a customer until the DSP can demonstrate that such discounts will not render the product below cost at any time in the future. With the current mode of running multiple promotions a year and "promotions on top of promotions" ictQATAR remains to be convinced, that in the absence of a RAS a DSP can bring such a proof.

The introduction of an approved and current RAS that supports customer lifetime calculations may allow these to be included in payback calculations.

5.3.4 Discounts on Discounts

ictQATAR is not minded to approve multiple discounts that could affect the price of a service at the same time. E.g. a service level discount and a line item discount. ictQATAR does not believe that a justification for such a scenario can accurately take into account all market responses.

5.4 Bundles

Any Tariff filing involving a Bundled Tariff Package must identify the separate charges or other Tariff elements that are applicable to each part of the bundled service or combination of services pertaining to the Bundled Tariff Package

The separate elements of the bundle have to be identified and a comparison between the bundled prices and the corresponding unbundled elements has to be made.[51] The separated prices must be able to pass the price floor test and not be subject to cross subsidisation.

ictQATAR is keen that any bundle offered by the DSP should be able to be replicated by other SPs. Therefore established wholesale products that enable non-DSPs to offer the same services as the SP are necessary before new bundles can be introduced. It is for the DSP to demonstrate that other SPs can replicate a bundled offer using either its own network or wholesale products currently provided, or proposed, by the DSP.

[50] RA-PETA/01-020810
[51] The Licences in Annexure D 1.10

Services may not be bundled in order to leverage market power from the market for one of the stand-alone products (normally the less competitive one) to the market for the other product (normally the more competitive one).
In the advent of the entry of a third fixed operator ictQATAR will therefore not approve bundles between fixed and mobile services.

5.5 Project Business

ictQATAR is mindful, that SPs provide a host of services outside the scope of their Licenses. This includes e.g. in-house cabling and the supply of IT and other telecommunications equipment as e.g. PABX in a “project fashion” (Project).

ictQATAR requires that in any of these Projects the Tariffs for Telecommunications Services as per Annexure B of their Licenses are clearly identified and priced as per the approved Tariffs.

5.6 Upgrade and Downgrade Charges

Price differences proposed by a DSP need to be objectively justified.
This also applies for different charges for an upgrade and downgrade e.g. the charge for a customer to change from 10Mbps to 100Mbps should be the same as the charge for a customer to move from 100Mbps to 10Mbps unless there is an objective cost justification for a different price.
Without an objective justification, based on cost, ictQATAR would consider a higher downgrade charge as a “penalty” to subscribers and hence would not approve this.

5.7 Pre-approval Frameworks for Promotional Offers

In order to make the retail Tariff approval process more efficient ictQATAR has issued and is keen to issue “pre-approval frameworks” for DSPs.
The updated, proposed, pre-approval frameworks can be found in Annex V Pre-Approval Frameworks.

ictQATAR reserve the right to stop or delay the launch of the promotion if requires any clarification or details and DSPs will immediately supply the requested information.

Question 18	The experience with the pre-approval frameworks have so far been largley positive. ictQATAR requests Respondents to bring forward suggestions of improvement.
Question 19	Do Respondents see currently the need for other Pre-Approval Frameworks? In this case Respondents are requested to bring reasoned suggestions and a draft text.

5.8 On-net/off-net pricing differential

On-net and off-net pricing differentials are not necessarily anti-competitive, but have the potential to be so. On-net/off-net pricing differentiation may affect competition in a way that favours a (large) incumbent network and at the same time a new entrant faces entry barriers due to this structure of prices charged by the incumbent operator. In this rather early stage of competition, ictQATAR has to prevent pricing structures, including on-net/off-net pricing differentiation, from being used to constrain competition.
A DSP is obliged to non-discriminatory conduct[52]. This means that differing terms have to be objectively justified, e.g. based on cost. The DSP must submit to ictQATAR sufficient and objective justifications regarding any discrimination and must not engage in unjustified discrimination. Unless a DSP supplies objective justification on-net/off-net pricing differentials are discriminatory and as such not permitted.

In the absence of objective justification for on-net/off-net pricing differentiations, ictQATAR requires a DSP not to apply any on-net/off-net price differentiation. This means that a unit of service, which includes voice and video calls SMS, MMS and other services, made from the DSP network to another SP's network must be charged at the same amount as a unit of service inside the DSP's network[53].
ictQATAR clarifies that this also means that if units of service (e.g. call minutes) are included in a permanent bundle, these call minutes must be available on-net and off-net.

For the avoidance of doubt ictQATAR views free on-net minutes and other (short term) promotions or discount with an On-net/off-net pricing differentiation as, potentially affecting competition and therefore not allowable for a DSP.

Question 20	Respondents are requested to forward their reasoned view on on-net/off-net differentiation for DSPs and non-DSPs.

5.9 Cross Subsidisation

The provisions in this section replace the provisions set out in the "Notice Revised Interim Rules for Retail Tariff Assessment" (RA-ASG/02-281211):

All cross subsidisation has to be approved by ictQATAR:

Telecommunications Law Article (43) 7: Using revenues or transferring a part of cost of a specific telecommunications service to subsidise another telecommunications service

[52] Article (44) of the Telecommunications Law: Prohibition of Unjustified discrimination: Dominant service providers shall offer equivalent terms and quality of service for all customers including Tariffs, and the General Secretariat may permit differing terms if such terms are objectively justified based on differences in supply conditions including different costs, traffic volumes, or shortage of available facilities or resources. This prohibition shall also apply between customers who obtain a service for resale to their end customers. The dominant service provider must submit to the General Secretariat sufficient justifications regarding any discrimination and must cease the discrimination upon receipt of a notice in this regard from the General Secretariat.

[53] Cf. "Order of the Supreme Council for Information and Communications Technology (ictQATAR) setting forth the rules and instructions for on-net/off-net price differentiation for Dominant Service Providers in Qatar" of 15 May 2011 (ICTRA 2011/05/15)

supplied by a service provider except where such subsidy is approved by the General Secretariat.
Licences Annexure I (3.7): Unless approved by the Supreme Council, a DSP will not use revenues from the provision of a public telecommunications service that is not subject to effective competition, or transfer a part of the cost of a public telecommunications service, to cross-subsidise the price of any retail telecommunication service that is subject to effective competition.

Generally ictQATAR will not approve cross-subsidies between Relevant Markets as defined in the MDDD.

This means for example that ictQATAR will not approve a pure single services offer (which may be an offer of voice calls, SMS, MMS or data) including a blended rate with an international and a national component, as this might cross-subsidise the international component by the local component. For clarification, a blended rate for national and international calls will not be permitted in the calculation of the formula.

In the absence of an approved and current RAS, ictQATAR requires each offer to be above cost. ictQATAR may accept a reasonable pay-back period after the end of the offer into account.

An offer including a multitude of destinations sold at one price point has to be above cost on a weighted (on actual traffic profile) average basis. This means, that some destinations, within the offer, can be below cost. This is not a cross-subsidy, as it is within a Relevant Market and the Offer on a weighted average basis is above cost.

ictQATAR will approve bundles “value packs” with multiple services (which may include voice calls, SMS, MMS, data), on the provision that the total cost of the included services remain below the retail price, using the cost proxy formula for each individual service.

ictQATAR accepts that installation and setup charges may be amortised as a separate billed line item over a period of up to 12 months. After the amortisation period the consumer should no longer pay this charge. If the contract is ended with the amortisation still in effect the SP may reclaim the full remaining amount.

ictQATAR will not accept a cross subsidisation of install costs by a permanent increased monthly charge.

Question 21	It is ictQATAR’s endeavour to keep the Tariff Approval Process as simple as possible. After deliberation ictQATAR choose consciously not to introduce an elaborate test with criteria of what might constitute “anti-competitive cross subsidies” and what might be permissible. ictQATAR finds that the ARF is clear in this regard and that the Compound Risk Factor (CRF) cf. section 5.2.2 above provides currently an effective safeguard. Nevertheless, ictQATAR invites submissions of a workable framework with relevant critera and justification of what might constitute “anti-competitive cross subsidies” and which cross subsidies might be permissible.

5.10 Exemption of DSPs from Submission of Tariff Offers

Article (28) of the Executive By-Law provides that ictQATAR may exempt DSPs from pre-approval:

> *Dominant Service Providers must submit to the General Secretariat the offers for the Tariffs, prices and charges of the telecommunications services in the markets where they have been designated as dominant Service Providers and obtain the prior approval for them.*
>
> *The General Secretariat may exempt the dominant Service Providers from such submission and from obtaining such prior approval if it finds that the competitive market forces are solely capable of protecting the interests of customers and have eliminated the harmful threat to competition.*

The current market structure in Qatar is a duopoly with limited competition. In the recent Market Definition and Dominance Designation (**MDDD**) 2010[54] an overwhelming position of dominance has been found for QTel. Therefore, currently, it cannot be assumed that competitive market forces are solely capable of eliminating the harmful threat to competition. ictQATAR is monitoring the development on the Relevant Markets, especially through the "Shortcut Process", set out in the Notice and Orders to the MDDD. ictQATAR considers this process appropriate to determine the changes in a Dominant Position with the relevant consequences.

Question 22	With currently prevailing high-market shares and the presence of clear dominant positons ictQATAR does not find that "*competitive market forces are solely capable of protecting the interests of customers*". ictQATAR believes that the process set out in the MDDD is appropriate to deal with this issue. Should a Respondent have an alternative methodology for measuring whether "competitive market forces are solely capable of eliminating the harmful threat to competition" the Respondent is requested to come forward with an argument supported by objective evidence.

[54] Market Definition and Dominance Designation 2010 a) Notice and Orders ICTRA 2011/10/31 of 31 Oct 2011 and b) Response Document of the MDDD 2010 ICTRA 2011/10/31a of 31 October 2011 (http://www.ictqatar.qa/sites/default/files/documents/MDD_Notice_English.pdf)

Annex I Glossary, acronyms and abbreviations

ARF	Applicable Regulatory Framework
CD	Consultation Document
CPE	Customer Premise Equipment
CRF	Compound Risk Factor
CSR	Corporate Social Responsibility
Day	Refers to a calendar day and not working day, unless specifically mentioned
de minimis	De minimis is a Latin expression meaning about minimal things, normally in the *locutions de minimis non curat praetor* ("The praetor does not concern himself with trifles") or de *minimis non curat lex* ("The law does not concern itself with trifles").[55]
DSP	Dominant Service Provider
DOPP	Director of Public Prosecution
ETR	Easy to Remember Number
FAC	Fully Allocated Cost
FTR	Fixed Termination Rate
HCA	Historical Cost Accounting
ictQATAR	The Supreme Council for Information and Communications Technology
IDD	International Direct Dialing
IOT	Inter Operator Tariff
Inter Alia	Among other things
MDDD	Market Definition and Dominance Designation
MOR	Mobile Origination Rate
MTR	Mobile Termination Rate
Public Telecommunications Services	Any form of transmission, emission or reception of signs, signals, writing, text, images, sounds or other intelligence provided by means of a telecommunications network to a third party offered to the public
RAS	Regulatory Accounting System
Relevant Market	As defined by the MDDD process
RMU	Retail Mark Up
SP	Service Provider
SIM	Subscriber Identity Module
STB	Set Top Box
USSD	Unstructured Supplementary Service Data - is a protocol used by GSM cellular telephones to communicate with the service provider's computers.
WLAN	Wireless Local Access Network

[55] Wikipedia http://en.wikipedia.org/wiki/De_minimis

Annex II Tariff Document Template - Consumer

General Tariff Information

Service Provider Name	Name of Service Provider
Tariff Number	A unique number for identifying this Tariff (To be created by the Service Provider)
Service Name	Generic name (e.g. postpaid mobile) and/or brand name (e.g. Shahry)
Tariff Type	Consumer
Tariff Effective Date	Availability to customers – commencement of service
Tariff Version Number	To be created by Service Provider (promotions are suffixed)

Tariff Details

Definitions	*Definitions of terms used in this Tariff document*
Tariff Terms and Conditions	*Service specific terms and conditions*
Service Description	
Features*	
Charge Rates*	
Service Provider obligations	*Which are not included in the SP's General Terms and Conditions, such as service availability and limitations – availability, maximum downtime, mean-time-to-repair, quality of service, speed, throughput, technical and geographical limitations.*
Customer obligations	*Which are not included in the SP's General Terms and Conditions*

Tariff Version Control

Tariff Version Number	Approval Date	Effective Date	Tariff Modifications
1.00	*11/08/2008*	*18/08/2008*	*New Tariff*
1.01	*01/04/2008*	*10/04/2008*	*Local call price increase (4.1)*
1.01a	*06/08/2008*	*09/09/2008*	*July promotion for 8 weeks*

* For the ease of administration, those two sections can be combined by the SP

Annex III Tariff Document Template – Business

General Tariff Information

Service Provider Name	Name of the Service Provider
Tariff Number	A unique number for identifying this Tariff (To be created by the Service Provider)
Service Name	Generic name (e.g. Business ADSL) and/or brand name (e.g. Shahry) at the Service Provider's discretion
Tariff Type	Business
Tariff Effective Date	Availability to customers – commencement of service
Tariff Version Number	To be created by Service Provider (promotions are suffixed)

Tariff Details

Definitions	*Definitions of terms used in this Tariff document*
Tariff Terms and Conditions	*Service specific terms and conditions*
Service Description	
Features*	
Charge rates*	
Service Provider obligations	*Which are not included in the SP's General Terms and Conditions, such as service availability and limitations – availability, maximum downtime, mean-time-to-repair, quality of service, speed, throughput, technical and geographical limitations.*
Customer obligations	*Which are not included in the SP's General Terms and Conditions*
Equipment and technical interfaces	*Equipment owned/leased and supplied by the Service Provider, equipment provided by the customer, service demarcation point, standards/specifications of service interfaces.*
Service Level Agreement	*Including measurable QoS Parameters.* *For example, service availability and limitations – availability, maximum downtime, mean-time-to-repair, quality of service, speed, throughput, technical and geographical limitations.*

Tariff Version Control

Tariff Version Number	Approval Date	Effective Date	Tariff Modifications
1.00	11/08/2008	18/08/2008	New Tariff
1.01	01/04/2008	10/04/2008	Local call price increase (4.1)
1.01a	06/08/2008	09/09/2008	July promotion for 8 weeks

* For the ease of administration, those two sections can be combined by the SP

Annex IV Tariff Modification Form

General Tariff Information

Service Provider Name	Name of the Service Provider
Tariff Number	As defined by the Service Provider
Base document version number	The version number of the Tariff document (the base document) on which this modification is based
Service Name	Generic name (e.g. Business ADSL) and/or brand name (e.g. Shahry)
Tariff Type	Business/ Consumer
Planned Effective Date	Availability to customers – commencement of service

Proposed Tariff Modifications

Section Number	Description of change
Section 4.2.7.1.2.1 (modification)	'Shahry Control' customers will be sent SMS alerts when their usage approaches the value of their remaining usage credit, subject to technical limitations.
Section 4.2.7.1.2.3 (addition)	A maximum of five (5) 'Shahry Control' lines can be registered to any one customer.
Section 4.2.7.1.2.2 (deletion)	Deleting the whole section.

Tariff Modification Version Control

Tariff Modification Version Number	Approval Date	Effective Date	Tariff Modifications
1.00a	11/08/2008	18/08/2008	Local call price increase (4.2) first submission
1.01a	01/04/2008	10/04/2008	Local call price increase (4.2) submission of additional supporting documents
1.02a	06/08/2008	09/09/2008	Local call price increase (4.2) re-submission

Annex V Pre-Approval Frameworks

Flash promotions

Flash Promotions are brief, sudden and instant offers which do not exceed two calendar days or 48 hours. Flash promotions are limited for one promotion per month in order not to obscure the standard rate card. Promotions will not be cumulative with any other promotions.

There is a limit of one Flash promotion per calendar month.

In order to avoid possible customer confusion and subsequent complaints, these flash promotions will be available to the complete subscriber base of the relevant brands/Tariffs:

a) All mobile prepaid mobile customers; and/or
b) All mobile post-paid mobile customers; and/or
c) All landline customers

The DSP is free to target its marketing communication to specific sub-sets of these customer groups, but the terms of the Flash Promotion must be available to the complete subscriber base of the relevant brands/Tariffs.

The DSP will limit these Flash Promotions to international IDD service (voice calls, video calls, SMS, MMS) only.
One price applies per IDD service (e.g. QAR 0.90 / min for a voice call) for the whole promotion period and will be clearly communicated.
No discounts / preferred terms will be given depending on usage or a combination of various services.

The DSP is free to offer flash promotions for

- single countries
- zones (e.g. MENA or GCC) - as blended averages and
- worldwide (as blended averages)

The relevant geographic market(s) will be clearly identified in the DSP's marketing messages. In case of a zone offer (region or group of countries) all countries a consumer can reasonably expect to be within this zone will be included. No country can be excluded by e.g. "* general terms and conditions apply".
For example: In a promotion entitled "MENA", Morocco cannot be excluded, as a customer can reasonably expect Morocco to be included in the MENA region.
All operators in the target geographic market will be included.
All Tariffs of Dominant Service Providers are to be based on cost.
ictQATAR issued a Direction and Instruction on the Introduction of the Regulatory Accounting System (RAS) on the 4th of Dec 2008. This instruction of ictQATAR sets out the currently applicable cost accounting regime. The current cost calculation regime is Fully Allocated Cost (FAC), based on Historical Cost Accounting (HCA). Such costs are currently not available from the RAS.
Therefore, in absence of cost data, the following formulas serve as a proxy for price floors:
International Termination (IDD) service proxy formula for a price floor

Fixed Voice Calls (1 FTR + 1 IOT_Voice) + 30% retail mark-up +10% CRF uplift
Mobile Voice Calls (1 MTR + 1 IOT_Voice) + 30% retail mark-up +10% CRF uplift
Mobile Video Calls (1 MTR + 1 IOT_Video) + 30% retail mark-up +10% CRF uplift

Mobile SMS (1 SMSTR + 1 IOT_SMS) + 30% retail mark-up +10% CRF uplift
Mobile MMS (1 MMSTR + 1 IOT_SMS) + 30% retail mark-up +10% CRF uplift

Submission to ictQATAR must take place at least 2 working days, i.e. full 48 hours, before the launch of each promotion. This submission will contain the basic details such as target audience, charge rates and duration. This will also include the agreed excel file containing the relevant IOTs, simple or blended averages, in order to show that the offer is above the price floors as indicated above.

Prior to the launch of this promotion, the DSP is required to publish the Tariff amendments on their webpage and send the web link to ictQATAR

This Framework can be revoked, amended or altered at any time by ictQATAR in its sole discretion.

The included excel has to be filled in to demonstrate that the proposed retail prices are above cost:

Flash_cost_justification v2.xlsx

	Country	IOT		Traffic split		
	country 1	0.2740	[QAR/min]	100%		expand as needed
	country 2		[QAR/min]			expand as needed
	country 3		[QAR/min]			expand as needed
	country 4		[QAR/min]			expand as needed
	country 5		[QAR/min]			expand as needed
	country 6		[QAR/min]			expand as needed
				100%		
weighted IOT		0.2740		[QAR/min]		don't touch
MTR		0.1662		[QAR/min]		don't touch
Wholeseale (IOT+MTR)			**0.4402**	[QAR/min]		don't touch
						don't touch
retail markup	30%	0.1321		[QAR/min]		don't touch
Retail			**0.5723**	[QAR/min]		don't touch
						don't touch
Granularity	15%	-0.0746		[QAR/min]		don't touch
Price floor w. granularity			**0.4976**	[QAR/min]		don't touch
						don't touch
CRF	10%	0.0498		[QAR/min]		don't touch
Price floor w. granularity and CRF			**0.5474**	[QAR/min]		don't touch
The proposed retail price has to be **equal or above** this figure						
Propose retail price			0.5500	[QAR/min]		
check			ok			

Third Party Promotions[56]

These promotions will be provided via 3rd Parties who wish to run promotions and want to buy data services in bulk from an SP to pass on to end-customers.

[56] as per RA-PETA/03-161011

Each promotion, effectively offered by 3rd Parties, is limited to either “Mobile Internet” or “Mobile Broadband” only. In order to benefit from the promotion the end-customer has to take a full subscription to the relevant service.
No discounts / preferred terms will be given depending on usage or a combination of various services.
The duration of each promotion, where the end-customer can subscribe to the service, will not exceed three months. The end-customer can receive from the DSP effectively one month Mobile Internet or Mobile Broadband for free.
Alternatively the duration of each promotion, where the end-customer can subscribe to the service, will not exceed two months. The promotion terms will effectively state “free data till (date)”. The end-customer will receive the service for “free” during this promotion period. Therefore on average the free period is again one month.
The DSP is therefore limited to providing on average one month subscription free of charge to the 3rd Parties per new end-customer, who pass this in turn on to end-customers. The DSP will state this clearly in the agreements between themselves and the 3rd Parties.
The DSP will not subsidise any other part of such promotions.

The DSP will offer non-discriminatory terms to all 3rd Parties. This means that all these 3rd Parties will be able to run these promotions on the same relevant terms with the DSP, but not necessarily at the same time.
No similar or identical promotion will be repeated within six months from the end of each promotion. Running the promotion with different 3rd Parties does not qualify as being an identical or similar promotion, as this enables a staged, non-discriminatory treatment of 3rd Parties.
This pre-approval is for new Mobile Internet and Mobile Broadband end-customers only.

The DSP will not subsidise any handsets/end-customer devices in whatever form or manner.
3rd Parties may determine the final prices for bundles of DSP’s services and devices/end-customer handsets from various manufacturers based on incentive and margin from the DSP and/or equipment manufacturers and distributors.
Submission to ictQATAR should take place at least 3 working days, i.e. full 72 hours, before the start of each promotion. The DSP will submit to ictQATAR:
1.) The salient terms of the promotion, setting out inter alia, but not limited to
  a) Affected Tariff
  b) 3rd Parties the promotion is run by
  c) Promotion period
  d) Terms and conditions of the promotion
  e) Expected take-up in terms of end-customers figures
  f) Any other information, which is necessary to describe the character of the promotion sufficiently for Tariff approval and customer information purposes.
2.) The promotional material. This has to clearly identify that this is a co-promotion between the DSP and the 3rd Party. In keeping the underlying goal of a co-promotion the logos and company names of the DSP and the 3rd Parties will be displayed in the same size.

On request of ictQATAR the DSP will stop or delay the launch of the promotion immediately.
On request of ictQATAR the DSP will immediately supply any requested information, like e.g. but not limited contracts between the DSP and 3rd Parties and detailed take-up figures.

Prior to the launch of this promotion, the DSP is required to publish the Tariff amendments on their webpage and send the web link to ictQATAR

This Framework can be revoked, amended or altered at any time by ictQATAR in its sole discretion.

De Minimis[57]

These are promotions for "give-aways" of negligible market value. Such promotions should not become a vehicle for the sale of services and/or adjacent products that are below cost or could be construed as anticompetitive and/or distorting the market. The cost standard and the cost base are set by ictQATAR.

Products, which are provided under this framework, are to be offered in combination with publicly accessible events with a duration of no longer than 7 calendar days. This ensures access to products in a non-discriminatory fashion for the general public.

Products offered under this framework are offered effectively for "free", without payment, on a non-discriminatory basis, without specific conditions (e.g. based on nationality, previous usage, outcome of a game of chance/lottery/draw) to the general public.

If the number of products is limited the Service Provider has to clearly indicate this in the relevant promotional materials.

Only the provision of the Service Provider's own products is covered by this framework. No co-promotion is possible under this framework.

This framework is intended for the supply of voucher type services. This includes inter alia but not limited to SIM cards, ADSL subscriptions, prepaid cards and USB modems.
This framework is not intended for IDD or local call products (including SMS, MMS, video calls) or other "usage products".

This framework covers promotions, where the cost or retail price is less than 1% (one percent) of the relevant monthly product revenue. Only reliable ictQATAR approved cost information can be used, otherwise the standard retail value will be used as a proxy for cost.
A materially similar promotion under this framework must not be repeated more than 12 times during a period of 12 months.

For each Promotion the Service Provider will submit at least 3 working days, i.e. full 72 hours, before the start of each promotion to ictQATAR:
(i) Context of the promotion, explaining clearly the background and rational why this promotion will be run
(ii) Venue and location of the event, which the promotion is based on
(iii) Duration of the promotion
(iv) Promotional units and value of these promotional units

[57] RA-PETA/01-161011

(v) Units and value of the relevant products sold during a typical, recent, month
(vi) Percentage of the promotional units and their value based on the turnover of the typical, recent, month
On request of ictQATAR the SP will stop or delay the launch of the promotion immediately. On request of ictQATAR the SP will immediately supply any requested information.

Humanitarian and Disasters[58]

These are promotions needed in case of genuine natural and humanitarian disaster.
This Framework applies to voice and/or video calls, SMS, and MMS only (**Products**).
Immediately following natural and humanitarian disasters the DSP is free to reduce prices for Products to the area impacted by the disasters to a level as the DSP deems to be fit for a period of no longer than two calendar weeks.

Due to the limited geographic scope and time ictQATAR assumes that full cost recovery is made on the total Relevant Market.

On the first working day after the release of such a Promotion the DSP will publish the relevant materials on its webpage and send a link to ictQATAR's Tariff team in e-mail format.

[58] RA-PETA/01-130311

Annex VI Questions

Views and comments, on the fullest extent possible, on this CD are invited from industry participants, other stakeholders and interested parties. We would ask to provide views and comments on this CD generally and on a number of specific questions in particular. A complete list of the questions is contained in the following list of questions: