



United Arab Emirates



VIOLATION DECISION No. (1) of 2007

SMS Retail Prices

Redacted Version

Issue Date: 20th February 2007

Telecommunications Regulatory Authority (TRA)
P O Box 26662, Abu Dhabi, United Arab Emirates (UAE)
www.tra.gov.ae



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1 BACKGROUND

1.1 On 18th February 2007, it came to the attention of the TRA that Etisalat was charging 30 fils for SMS's numbers assigned to the mobile number range (055) of EITC. The TRA confirmed this fact by testing several SMS's to a 055 number, the result of which was that the SMS's are charged at 30 fils. Separate tests of SMS's to numbers assigned to Etisalat (050) Resulted in charges of 18 fils.

1.2 [Redacted]

1.3 [Redacted]

1.4 [Redacted]

1.5 [Redacted]



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1.6 Etisalat has never provided a request to the TRA for a price of 30 fils for SMS's that are destined for EITC's mobile network.

1.7 [REDACTED]

1.8 [REDACTED]

1.9 [REDACTED]

1.10 [REDACTED]



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2 LEGAL REFERENCE

2.1 The following references were taken into consideration with respect to the prices charged by licensees, whereas such prices shall be set in accordance with the Regulatory Framework of the TRA:

2.1.1 Federal law by Degree No.(3) of 2003, as amended, in particular Article 14(1) stipulates:

“...the Authority shall have power to issue regulations, orders, resolutions and procedures in relation to:

Tariff, charges and fees levied by Licensees...”

2.1.2 Federal law by Decree No. (3) of 2003, as amended, in particular Article 80 (21) stipulates:

“The Board shall, pursuant to the regulations issued by the Telecommunications Regulatory Authority, determine the charges for the services provided by Etisalat...”

2.2 Furthermore, Etisalat’s prices are subject to its Public Telecommunication License No. 1/2006, which stipulates in Article 3 (7):

“The prices that the Licensee may charge its Customers in connection with its Services, as well as the terms and conditions, are subject to Regulation by TRA as specified in the Regulatory Framework in effect at the time “

2.3 Pursuant to the above mentioned Article and according to the TRA Price Control procedure Version 2.0, issued 1st August 2005, Article 3.1.1:

“The Licensee shall provide to the TRA all requests to implement any new retail or wholesale prices or to change existing prices, including the bundling or packaging of services, in accordance with the Price Control Policy in effect at time.”



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In fact, Etisalat has been following the above referenced Procedure since 30th July 2005 and as such, there can be no doubt that Etisalat was familiar with the TRA's Price Control Procedure.

- 2.4** Furthermore, according to Etisalat's Public Telecommunication License No. 1/2006, Article 16.3.2, if Etisalat fails to comply with the provisions of the article it may be subject to the penalty, at the sole discretion of the TRA:

"If the licensee fails to comply with any of the following:

- a) any obligations under the Telecommunications Law or its Executive Order;*
- b) any obligations within the License; or*
- c) any obligation contained in the Regulatory Framework in effect at the time*

The Licensee may be subject to a penalty. The penalty shall not be less Dirhams 50,000 and not more than Dirhams 200,000, payable in accordance with procedures as determined by the TRA."

3 CONCLUSION

- 3.1** In the view of the above, the TRA finds that Etisalat has put into effect a price not in accordance with the TRA's Price Control Regulatory Framework. The TRA concludes that in so doing, Etisalat has violated Federal Law by Decree No. (3) of 2003, as amended, the TRA's Price Control Procedure, and the provisions of Etisalat's public Telecommunications License No. 1/2006.
- 3.2** Based on the foregoing, the provisions of Etisalat's Public Telecommunications License No. 1/2006, Article 16.3.2, with regard to penalties, are applicable.

4 THE VIOLATION DECISION

At its discretion and without prejudice to the TRA's rights regarding any future actions with regard to this violation or any other incident, either related or unrelated, the TRA has determined to penalize Etisalat with a penalty assessment in the amount of Dirhams 100,000.



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5 PAYMENT

Payment of the aforementioned penalty shall be paid by Etisalat to the Telecommunications Regulatory Authority within fourteen (14) days of the issuance of this Violation Decision.

6 PUBLICATION

At its sole discretion, the TRA reserves the right to make public this Violation Decision, or any parts thereof.

7 ACKNOWLEDGEMENT

7.1 Etisalat shall notify the TRA in writing of its receipt of this Violation Decision within one (1) day of the date hereof.

7.2 Etisalat shall notify the TRA in writing when it has paid the penalty assessment.