



United Arab Emirates



VIOLATION DECISION No. (4) of 2007

Price Changes

REDACTED VERSION

Issue Date: 19th July 2007

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



Violation Decision No. (1) of 2008, Price Changes/Marketing Activities, Issued 14th August 2008

1 BACKGROUND

1.1 It came to the attention of the TRA that Emirates Telecommunications Corporation (“Etisalat”) had publicly announced a fourteen (14) day free trial period for “Email Push Service” which was to commence 10th July 2007. The announcements included, but were not limited to, a description on Etisalat’s website as well as written and oral communications to consumers.

1.2 [Redacted]

1.3 [Redacted]

(1) [Redacted];

(2) [Redacted];

(3) [Redacted];

(4) notified its Call Center, Business Centers, Outlets and Key Mass Retailers that the service would not be made available.

1.4 [Redacted]

1.5 [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 Decree 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 [Etisalat Board of Directors] shall, pursuant to the regulations issued by the Telecommunications Regulatory Authority, determine the charges for the services provided by Etisalat...”

2.2 Furthermore, the prices which Etisalat charges consumers 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 the time.”



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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 a 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."*

3 CONCLUSION

3.1 In this instance, the TRA finds that Etisalat has violated 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 Noting that this violation of the TRA's Pricing Policy is the fourth of its kind in approximately nine (9) months, the TRA is concerned that Etisalat does not appreciate the gravity of its repeated Price Policy violations and has failed to implement appropriate internal protocols in order to prevent such transgressions in the future.

3.3 The TRA strongly urges Etisalat to immediately implement organizational safeguards against future Price Policy violations.

3.4 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.



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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 that it is appropriate to assess a penalty in the amount of Dirhams 200,000.

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 thereof.

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