



United Arab Emirates



Violation Decision No. (2) of 2008

Price Changes

Issue Date: 18th December 2008

Redacted Version

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 23rd September 2008, the TRA issued its Price Control Regulatory Policy and Procedure, Versions 2.1 which restated the Licensees' obligation to receive TRA approval prior to implementing any retail or wholesale Prices under the oversight of the TRA.
- 1.2 On 27th October 2008, Emirates Integrated Telecommunications Company PJSC, ("EITC"), submitted Price Control Request ("PCR") D8-325 to the TRA, in compliance with the applicable Regulatory Policy and Procedure.
- 1.3 [REDACTED]
- 1.4 On 4th November 2008, the TRA sent letter reference TRA/RA/PCR/08/455 to EITC in which the TRA approved the PCR, "...under the assumption that it is in accordance with the TRA's Price Control Policy, Version 2.1 and Price Control Procedure, Version 2.1."
- 1.5 On 18th November 2008, EITC sent letter reference RE/TRA/PCR/325-I to the TRA wherein EITC submitted, in accordance with the TRA's Price Control Regulatory Policy, a "Notification of Implementation" for PCR D8-325 and further advised the TRA that the service would commence on [REDACTED] and be marketed under the name [REDACTED].
- 1.6 On 26th November 2008, EITC sent letter reference RE/TRA/PCR/325-AI to the TRA wherein EITC informed the TRA of its intention to revise the commencement date of the service and introduce the service on [REDACTED].
- 1.7 On 1st December 2008, the UAE Federal Cabinet announced its decision to merge the holidays of the UAE's 37th National Day and Eid Al Adha which closed the public sector activities from the 2nd December 2008 until 11th December 2008, with work resuming on 14th December 2008.
- 1.8 On [REDACTED], the TRA received EITC's letter reference RE/TRA/PCR/08/405, dated [REDACTED], wherein EITC notified the TRA that on 7th December 2008 EITC had implemented a price for its [REDACTED] promotion which was different than the price referenced in the respective PCR despite EITC's clear regulatory



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obligation to request and receive specific TRA approval prior to offering any new or changed price.

2. LEGAL REFERENCE

2.1 In its review of this matter, the TRA refers to Federal Law by Decree No. (3) of 2003, EITC's Public Telecommunication License No. 2/2006 as well as the TRA's Regulatory Framework.

2.2 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..."

2.3 Furthermore, the prices which EITC charges consumers are subject to its Public Telecommunication License No. 2/2006, 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. "

2.4 According to the TRA's Price Control Regulatory Policy, Version 2.1, issued 23rd September 2008, Article 4.1:

"A Licensee shall request prior approval from the TRA for any new or changed Price, in accordance with the TRA's Price Control Regulatory Procedure."

2.5 Furthermore, according to EITC's Public Telecommunication License No. 2/2006, Article 16.3.2, EITC 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



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c) *any obligation contained in the Regulatory Framework in effect at the time.*"

3 FINDINGS

3.1 In this instance, the TRA finds that EITC has violated the TRA's Price Control Regulatory Framework. The TRA concludes that in so doing, EITC has violated Federal Law by Decree No. (3) of 2003, as amended, and the provisions of EITC's Public Telecommunications License No. 2/2006.

3.2 Based on the foregoing, the provisions of EITC's Public Telecommunications License No. 2/2006, Article 16.3.2, as noted in paragraph 2.5 above 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, this Violation Decision shall serve as a formal sanction for the particular behavior described herein. Furthermore, the TRA has assessed a financial penalty in the amount of Dirhams 200,000.

5 PAYMENT

Payment of the aforementioned penalty shall be paid by EITC 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 EITC shall notify the TRA in writing of its receipt of this Violation Decision within one (1) day of the date thereof.



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