



Information and Communication Technologies Authority

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**Information and Communication Technologies Authority
Decision of 21 August 2011 on Review of the Promotional Policy Framework
On Telecommunication Services**

04 OCTOBER 2011

EXPLANATORY MEMORANDUM

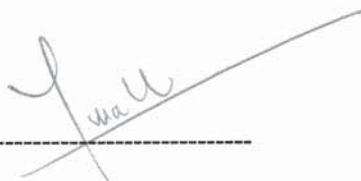
PREAMBLE

The Information and Communication Technologies Authority has as its function under section 18(c) of the Information and Communication Technologies Act of 2001, to *"promote and maintain effective competition, fair and efficient market conduct between entities engaged in the information and communication industry in Mauritius and to ensure that this Act is implemented with due regard to the public interest and so as to prevent any unfair or anti-competitive practices by licensees."*

In its initial decision dated 24 October 2008, the ICT Authority instated a promotional policy framework for telecommunication services, to provide a structure for competitive flexibility to licensed service providers to define and implement their promotional activities. Nearly three years onwards, the applicable market configurations have evolved, as have the demands of customers, and the strategies by operators to meet such demands altogether.

This has required operators to continuously identify innovative promotional strategies, which has put pressure on the existing framework, in its present format, as to whether it can accommodate such proposals. Service providers have accordingly highlighted certain perceived rigidities under the present framework, and the need for more accurate provisions to be defined, going forward.

Following a consultation paper on proposed refinements to the present promotional policy framework for telecommunication services, circulated among licensed telecommunication operators, the ICT Authority has reviewed the existing provisions in favour of more flexible criteria being instilled in the overall framework, taking on board many of the views put forward by respondents to the consultation exercise. At the same time, a balance has been struck towards the need to avoid potential abuses of promotional activities as a means to anti-competitive outcomes, and the need to ensure end-users still continue to benefit from attractive and innovative services.



Mr. T. Dwarka

Chairman



Dr. M.K. Oolun

Executive Director

**ICT Authority Decision
Of 21 August 2011**

On Review of the Promotional Policy Framework on Telecommunication Services

(ICTA/OCT/01/2011)

The Information and Communication Technologies Authority, in exercise of its statutory functions under the Information and Communication Technologies Act 2001 (as amended), issues the following Decision pursuant to section 17(3) combined with sections 18(c) and 16 (b)&(d) of the said Act. This decision shall come into force with **effect as from 01 November 2011**, and hereby repeals the Authority's decision of **23 October 2008** on 'Promotional Policy Framework on Telecommunication Services' (Ref: ICTA/OCT/01/2008)

The new refinements and conditions under the new promotional policy framework are summarized next:

(i) Conditions shall apply only to those services falling under the Service Category identified as 'Basic Services' in terms of the eligibility of promotional offers.

(ii) Promotional offers associated with existing services within the International Telephony Service market shall continue benefiting from the presently defined allowances in terms of discount or equivalent discount, and campaign duration.

(iii) Promotional offers associated with all the remaining service markets shall be subject to improved conditions in terms of discount or equivalent discount, as well in terms of campaign duration.

(iv) For those promotional offers, which may not directly fit under the general framework being advocated, the Authority shall resort to a case by case consideration, in order to establish the reasonableness of the application and issue a determination based on a systematic and objective analysis, which shall be consistent with the principles being advocated with regards to the promotional policy framework.

1) Decision on the Review of the Promotional Policy Framework on Telecommunication Services

The Information and Communication Technologies Authority,

considering the *Existing Promotional Policy Framework*, as set out next:

Scenarios	Existing Framework
A) New operator launching its service	Up to a Maximum of 3 months per calendar year
B) Existing Operator launching a new service	Up to a Maximum of 3 months per calendar year
C) Existing operator promoting an existing service	Anytime , for a maximum aggregate of 60 days per calendar year per service, with a maximum discount of 20% on approved tariffs, applicable to all telecommunications services

DECIDES to review and implement a *Revised Promotional Policy Framework*, as set out next:

IDENTIFICATION OF SERVICE CATEGORY	
Basic Services	Value Added Services
<ul style="list-style-type: none"> - Fixed Telephony Services - Mobile Telephony Services - ILD Services - Internet Services - Data Services 	<ul style="list-style-type: none"> - Premium Rate services - SMS based services - Content based services - Any other as applicable
CONDITIONS APPLY FOR PROMOTIONAL OFFERS	NO CONDITIONS APPLY FOR PROMOTIONAL OFFERS

ILD SERVICE		SERVICE LINE
SERVICE STATUS	Scenarios	Eligibility under New Promotional Framework
	A) Promotion of a new service	Up to a Maximum aggregate of 120 days (or pro-rata) per calendar year, over a period of 2 years since launch of service / service line
	B) Promotion of an existing service	Up to a maximum aggregate of 60 days (or pro-rata) per calendar year per service / service line, with a maximum discount of 20% on approved tariffs, <i>or equivalent</i>

ALL OTHER BASIC SERVICES		SERVICE LINE
SERVICE STATUS	Scenarios	Eligibility under New Promotional Framework
	A) Promotion of a new service	Up to a Maximum aggregate of 120 days (or pro-rata) per calendar year, over a period of 2 years since launch of service / service line
	B) Promotion of an existing service	Up to a maximum aggregate of 90 days (or pro-rata) per calendar year per service / service line, with a maximum discount of 30% on approved tariffs, <i>or equivalent</i>

2) Determining the Eligibility of Promotional Offers

The guiding principle for establishing the terms and conditions to which an application for promotional offers is eligible for will revolve around 3 criteria:

Service Category: Telecommunication services shall be classified as either ‘basic services’ and ‘value-added services’, as per the list identified in the table above, and in line with the respective licences issued by the Authority. A service category may thereon comprise several service lines for which different tariffs have been approved for the various service offerings.

Service Status: Once the service category is determined, a telecommunication service by a licensed operator shall be deemed as a ‘*new service*’ for the purpose of interpretation under the applicable promotional policy framework,

for a maximum period of 2 years since initial launch. Following its anniversary date thereon, such a service will be considered as an *existing service*.

Service Line: Following the identification of service status and category respectively, the ‘service line’ would then be taken into account, which essentially looks at the service groupings / offerings / packages / plans under a given service category.

3) Tariff Equivalence

It is recognised that licensed public operators may resort to promoting their telecommunication services not only in terms of discounted tariffs, but also in terms of quantifiable allowances for e.g. a certain number of free minutes, a given amount of free data consumption, free equipment etc..., i.e. ‘non-tariff’ based offers. In such cases, ‘Tariff Equivalence’ shall in effect ascertain the equivalent monetary value of a given non-tariff based promotion, in terms of its existing approved tariff levels

The equivalent monetary value of such offers shall thereon be used to establish the applicable discount factor as may apply, and shall be relative to recurrent charges in general.

4) Submission and Filing of application for promotions

In line with the revised promotional policy framework, the following provisions shall apply with regards to the submission of applications for promotions:

- (i) The submission of application for promotions pertaining to ‘Basic Services’ should be received by the Authority ***at least 7 working days*** before the proposed launch, subject to all required information being provided by the applicant, for the relevant onward determination by the Authority.
- (ii) The filing of application for promotions pertaining to ‘Value Added Services’ should be received by the Authority ***at least 3 working days*** before the proposed launch, for reference purposes, on the condition that the requirements as per the promotional policy are met.

Applications for promotion should be submitted to the Authority in both hardcopy and softcopy, and a specific email address has been commissioned by the Authority **solely** for the receipt of promotional applications at promoapplications@imail.icta.mu

5) Application Template for Promotional Offers

An updated template for ‘Applications for Promotional Offers’ by licensed operators shall be duly filled in and submitted to the ICT Authority with the required details, in line with the specified time frame established in **Section 4** above. Instructions are also provided at the back of the form to provide additional guidance to ensure proper completion of the application. Softcopies of the application form shall be made available for download at <http://www.icta.mu/market/forms.htm>

6) Transitional Provisions

With the coming into force of the new promotional policy framework for telecommunication services, vide the present decision issued by the ICT Authority, it is anticipated that certain inconsistencies shall crop up in the initial phases of operation of the updated framework, relative to the current version. One such inconsistency is expected to be in relation to ‘service status’ and the computation of the ‘pro-rated’ allowance in number of days per calendar year.

For basic services in particular, the status of 'new' service or service line shall be established with reference to the **date of first approval** of the said service or service line by the ICT Authority. A service or service line designated as 'new' will have its allowance in terms or number days per calendar year re-computed thereon, depending on the date on which the tariff for the said service or service line was approved by the ICT Authority.

The calculation of the pro-rated allowance shall be based on the number of months or calendar days as appropriate, in line with the established date of first approval.