Communications Regulatory Authority

هيئة تنظيم الاتصالات

State of Qatar دولة قطر

Retail Tariff Instruction for Individually Licensed Service Providers in Qatar

CRA 2014/11/9B

9 Nov 2014

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Revision History

Issue Date	Version	Notes
5 Nov 2009		Instruction for Retail Tariff Approval and Notification Procedure Applicable to Promotions and Permanent Offers
25 Sep 2013	1.0	First updated version
25 March 2014	1.1	Removal of pre-approval obligation in specified markets
8 Jun 2014 consultation only	1.2	Removal of requirement to file cost justifications by Dominant Service Providers in specified markets. Removal of Requirement for Service Providers to Publish Customized Tariffs. Consultation was issued on 8 Jun 2014.
23rd September 2014 – 26thOctober consultation	1.3	Adjustment to filing requirements of DSPs in response to ratified Recommendation of Appeal Advisory Committee of RTI v1.1 The RTI has also been amended so that it is independent of the Individual Licenses
9th November 2014	1.4	Clarifications to text made following consultation.

1 Introduction

1.1 Objective and Scope

This Retail Tariff Instruction (**Instruction**) sets out the procedures and requirements that apply in relation to the approval retail Tariffs for public telecommunications services. The Instruction also provides guidance on the types of Tariffs that are permissible under the Applicable Regulatory Framework (**ARF**).

This Instruction must be read in conjunction with the Consumer Protection Policy (CPP).

This Instruction supersedes the Annexures relating to Retail Tariffs of the Individual Licenses of all Services Providers.[1]This Instruction applies to Individually Licensed Service Providers (**SP**s) who offer retail Telecommunication Services to the public, including Dominant Service Providers (**DSP**) and non-DSPs.

This Instruction replaces the previous versions of the Retail Tariff Instruction.

Tariffs are defined in accordance with the Executive By-Law as follows:

> *"Tariff: 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"*

Wholesale Tariffs or charge controls for these fall outside the scope of this Instruction.

1.2 Background

This Instruction has been developed by the Communications Regulatory Authority (**Authority**), following the Minister of Information and Communications Technology Ministerial Decision No 12 of 2014 on Review Application VF/01/2014 which endorsed the Appeals Advisory Committee's Recommendation on Review Application VF/01/2014.

This Instruction should be read in conjunction with the Response Document to the consultation (number/reference) for context and justification in relation to the requirements contained in this Instruction. It should also be read in the context of the ARF including the terms and conditions of the relevant Individual Licenses held by the Service Providers.

As Tariff proposals differ and evolve substantially this Instruction can only cover "typical" cases. Nevertheless, this Instruction gives the necessary guidance on how the Authority

[1] This includes, amongst others but not limited to:
Qatar Telecom (QTel) Q.S.C. Public Fixed License ICTRA 08/07B 7 Oct 2007
Vodafone Qatar Q.S.C. Public Fixed License ICTRA 04/10 29 Apr 2010
Qatar Telecom (QTel) Q.S.C. Public Mobile License ICTRA 08/07A 7 Oct 2007
Vodafone Qatar Q.S.C. Public Mobile License – Amendment ICTRA 03/09 29 Jun 2008 Amended 26 Feb 2009
Es'hailSat Public Satellite Telecommunications Networks and Services License ICTRA 2013/10/07 23 Oct 2013
QSAT VSAT License ICTRA 12/10-2 22 Dec 2010
RIGNET VSAT License ICTRA 12/10-1 22 Dec 2010
Harris Salam VSAT License ICTRA 03/12 22 Mar 2012
QNBN Passive Fixed Telecommunications Networks and Services ICTRA 2012/07/22 22 Jul 2012 (Amended 11 June 2013)

intends to proceed with retail Tariff approvals. In the event the Authority adopts an approach which is materially different from that defined in this Instruction, due notice and explanation will be provided to SPs.

2 Legal Basis

The key provisions concerning retail Tariffs 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. Individual Licenses granted to SPs

The objectives for the Authority which are applicable to Tariff Regulation under Article (2) of the Telecommunications Law are:

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 allows the Authority to set and enforce appropriate remedies to prevent SPs from engaging in or continuing anti-competitive practices

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

Article (6) of the Executive By-Law empowers the Authority to take measures, actions and decisions as it deems appropriate to ensure that Individual Licensees and SPs comply with the provisions of the law, the Executive By-law and the provisions of the Individual Licenses or to remedy their breaches.

Article (26) of the Telecommunications Law empowers the Authority to determine the elements necessary for the provision of Tariff offers, their approval and publication in respect to telecommunications services. the Authority 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 the Authority 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 Authority may issue regulations or orders to regulate the Tariffs of SPs.

Article (51) of the Telecommunications Law provides that SPs 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 SPs to provide the specified telecommunications networks and services in accordance with the terms and conditions of the Individual Licenses and its annexures, relevant legislation, international treaties, and any regulations, including instructions issued by the Authority before or after the effective date of the Individual Licenses. Accordingly, the Authority may from time to time issue additional requirements as part of the terms and conditions of the Applicable Regulatory Framework (ARF) which are binding on the SPs.

3 Provisions for all Service Providers

3.1 Introduction

Except where explicitly stated otherwise, this section sets out the provisions which apply to all SPs who hold Individual Licenses.
The SP shall comply with all provisions of the Applicable Regulatory Framework, including any regulation, decisions, orders, rules, instructions or notices issued by the Authority, relating to Tariffs.

3.2 Tariff Filing and Tariff Approval

3.2.1 General Provision

All Public Telecommunications Services must be offered pursuant to a Tariff in accordance with this Instruction.

A Tariff filing should include all terms and conditions related to the sale of a specific service. This may be distributed over a number of documents, for example;

i. Standard Terms and Conditions (**T&Cs**), covering terms and conditions which are applicable to multiple products. These require pre-approval by the Authority;[2][3]
ii. Standard Tariff Documents which set out T&Cs that apply to specific Tariffs; and
iii. Customized Tariff Documents; Tariffs which contains T&Cs that apply to specific customers.

The SP shall make available to the Authority 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).

Where an approved document, for example standard T&Cs, is applicable to multiple products it is not necessary to re-approve the already approved T&Cs for each new product or product version to which the document applies.

The Offer of a SP must be documented in a Tariff Document. SPs must ensure that Tariff Documents:

i. Are written in plain language and easily understood by a typical consumer;
ii. Contain any and all of the SP's proposed prices or modifications thereto (including any discounts and promotions) and must be provided to the Authority in a format that is clear, legible and easily understood;
iii. Contain and fully disclose in detail the terms and conditions that identify, among other things, the products and services on offer, related products and services, objectives of the offer, whether 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, minimum commitment periods or minimum volumes, cancellation policies, special considerations, the period of the Tariff, any schemes involving

[2] Typically a set for Residential and Business consumer like "General Terms and Conditions for Consumer Services" or "Master Services Agreement for Business"
[3] Article (96) of The Executive By-Law "The General Secretariat may require a Service Provider to submit to it draft terms of service to it for approval and may prescribe a timetable for review, approval and implementation of the terms of service."

rebates, discounts, waivers or free items and any other elements of the offer that are material to the service provided and the consideration to be paid;

iv. Include any charges for services and/or equipment not otherwise subject to Tariff control but which are included as part of the service offered;

v. Contain the relevant marketing names of the Tariff or Offer.

Any proposed changes to a Tariff must be submitted to the Authority.

3.2.2 Tariff Filing

Service Providers must ensure that:

i. Tariffs are filed in accordance with this Instruction;

ii. New Tariffs are filed in accordance with the templates set out in Annex II - Tariff Document Template - Consumer and Annex III - Tariff Document Template – Business;

iii. Modifications to existing Tariffs are filed in accordance with the template set out in Annex IV - Tariff Modification Form;

iv. All calculations and explanatory documents are filed with the Tariff submission. All calculations must be in Excel format and well documented;

v. All Tariff submissions and related notification are sent to tariffs@cra.gov.qa, with individual members of the Authority tariff team copied in the email.

The filing requirements prescribed above also apply to:

i. Framework agreements, discount schemes, bonus schemes and loyalty programs;

ii. Tariffs that have been created for specific customers or sub-segments of customers;

iii. Customer Value Management offers (CVMs);

iv. All Tariffs regardless of whether the services are to be rendered within or outside of Qatar (e.g. roaming and calling cards).

3.2.3 Tariff Meetings

i. Information may be exchanged in a Tariff meeting which materially alters the Authorities understanding of an offer. This information does not need to be re-submitted in a formal filing but should be captured in appropriate minutes. The meeting will be considered equivalent to a filing by SPs.

ii. Official positions are exchanged in writing.

3.2.4 Review Period for non-DSPs

Tariffs that do not contain any service or service element that falls within a relevant market with respect to which an SP has been designated as a Dominant Service Provider shall be submitted to the Authority for review no later than the date on which the Tariff is commercially launched or made effective. The Authority shall have a period of twenty-one (21) calendar 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 Authority objects to a Tariff or extends the period for review, it shall inform the SP of the reasons for its decision. The procedures and timetable for extended review of a Tariff or consultation proceedings with respect thereto shall be set forth in a notice of objection issued by the Authority.

3.3 Publication

3.3.1 General provisions

A SP shall publish the following information on its website:

i. Standard Terms and Conditions (**T&Cs**)
The current version of any terms of service or other T&Cs as approved by the Authority;

ii. Its Standard Tariffs and if applicable, any rates and charges for any equipment or services, including all approved Tariffs (including those that have been withdrawn or that have expired). This must include the effective date of the Tariff which must be no later than the first the day on which the Tariff is offered. 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; and

iii. The official website address and contact information of the Authority, informing Customers that they may contact the Authority in the event they are unable to resolve a dispute/s with their Service Provider. The website must also contain a clear statement that the Service Provider is regulated by the Authority under the Law, By-Law and any other applicable laws.

SPs must also provide:

i. A user-friendly navigation system that allows a customer to locate the information prescribed in section 3.3 (i) and (ii).

ii. Maintain paper copies of all 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.

iii. No later than five (5) days following receipt of a written request from a Customer, the SP 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 SP to accommodate the Customer's request.

iv. Potential Customers of Customized Tariffs should be provided the full T&Cs of the Tariff that will apply to them in a fair and transparent manner so as to ensure the customer can provide informed consent of the T&C of the purchase of the service.

v. Customers of Customized Tariffs should be able to request the full T&Cs of the applicable Tariff from the SP in a convenient manner at any time during their contract.

SPs shall consent to the Authority publishing on its website, in a manner that enables remote access to the public, free of charge, a compilation of or links to the Tariffs offered by SPs, in order to facilitate access to, comparison of and understanding of the terms under which telecommunications services are available in the State of Qatar.

3.3.2 Tariff Changes

SPs must notify any increase in price at least 30 days in advance. SPs must ensure that any Tariff modification is successfully communicated to the customer prior to the change taking effect.

3.4 Information Requests

In response to a written request by the Authority, SPs shall provide accurate information relating to any Tariff, including costs, revenues, terms and conditions and methods of composing the Tariff.
E.g. SPs must submit sufficient justification for any discriminatory practice on a case by case basis to the Authority. The SP shall deliver the requested information to the Authority in a concise and reasonably detailed manner within the timeframe specified in the request.

As permitted by Article (129) of the Executive By-Law, any request from an SP for the extension of a deadline must be accompanied by a convincing justification and filed at least five days before the expiry of the existing deadline.[4]

The request for information will terminate the applicable Review Period for approval of the Tariff. A fresh Review Period will commence on receipt of the requested information.

3.5 Promotional Offers

3.5.1 Duration of Promotion

SPs must:

i. Limit promotions to a maximum of three months;
ii. Ensure that Promotional Offers do not tie or lock-in customers to long-term contracts;
iii. Ensure that the maximum contract period applicable, following an acquisition promotion, is the Minimum Service Period (cf. section 3.6) established by the Authority for Consumers and Business Customers.

3.5.2 Repetition of Promotional Offers

SPs must ensure that promotions are not repeated for the same Tariff until 6 months after the promotional offer has expired. This applies to the underlying Tariff item or items that is/are subject to the initial promotion (i.e. at destination level, mobile data or connection charge).

For the avoidance of doubt, this does not include Flash Promotions i.e. promotions that do not exceed two calendar days or 48 hours.

3.6 Handset and Customer Premises Equipment Subsidy and SIM Locking

SPs shall not subsidise devices or engage in “SIM locking”. SPs are free to sell devices on an instalment or amortised basis and unbundled from Telecommunications Services. This can be achieved by e.g. a separate contract being taken out for an expensive device and paid for in periodic arrears. This contract must not be bundled with the underlying telecommunication service.

3.6.1 Mobile Device Subsidies: Handsets and Other Mobile Devices

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[4] Article (129) Executive 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.

SPs are not permitted to:

i. Subsidize any mobile device;
ii. “Lock” a device so that it can only be used with the SP’s own SIM cards.

3.6.2 Fixed Device Customer Premises Equipment (CPE) Subsidies

3.6.3 Network specific CPE

SPs may provide equipment necessary for the provision of services (as an integral part of the service) and which are not available in the open market **without** a separate charge. This would typically include devices such as an Optical Network Terminal for fiber broadband.

3.6.4 Non-Network specific CPE

SP must include the price of any CPE in a Tariff that is provided to customers free of charge but which may be charged for if the customer cancels within the minimum service period and fails to return the CPE.

3.7 Minimum Service Period, Commitment Period and Cancellation Policy

3.7.1 Minimum Service Period

SPs are subject to the Minimum Service Period of no longer than **three months** unless an objective justification is provided demonstrating the reasons why it is necessary to require a longer minimum service term.

In the event a customer wishes to cancel the subscribed service within the Minimum Service Period, SPs are entitled to collect the fixed monthly charges for the Minimum Service Period.

SPs must not provide any additional benefit for an extended contract period and customers must be entitled to terminate the service subscribed to after the Minimum Service Period without any penalty/payment.

3.8 Minimum Validity Period of Credit

SPs must ensure that the Minimum Validity of credit should be as follows:

Credit	Duration	Explanation
Less than or equal to QAR 10	30 days or longer	Including, but not limited to, pre-paid products vouchers, top up credit .
Standard credit validity	6 months or longer	

Tariffs which include specific bundles of minutes/messages/data allowance must specify the period for which the included bundle remains 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 the second, third etc. month and then expire or continue rolling over as long as the customer subscribes to the plan.

3.9 Undue Discrimination

A SP 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 SP from making offers to particular Customers or Customer groups where there is an objectively justifiable basis for such differential treatment

3.10 Provisions for Specific Discounts

Discounts for specific market sectors are not permissible, with the exception of the following:

Education sector

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.[5]

Qatar Society for Rehabilitation of Special Needs

The Authority is currently allowing discounts on existing Tariffs for members of the Qatar Society for Rehabilitation of Special Needs (**QSRSN**).

SPs may offer up to 50% discount on their services as part of their Corporate Social Responsibilities (**CSR**) program based on the following:

i. 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 is permitted to subscribe to the service.
ii. If the person with the special need is unable to subscribe to the service by himself, a family member may subscribe on his/her behalf.
iii. A person with a special need may only subscribe to one product in each service category.
iv. The person with a special need must be registered with QSRSN in order to benefit.
v. At the end of each January the SP will submit a service-uptake report to inform the Authority per service category, of the following:
    - number of subscribers;
    - number of new subscribers;
    - monthly recurring charges in QAR;
    - excess fees in QAR (where applicable).[6]

[5] RA-PETA/03-290611
[6] RA-PETA/01-020810

4 Specific Provisions for Dominant Service Providers

The requirements presented in this section apply to Tariffs for services in markets where an SP has been designated as having a dominant position and also to the Tariffs of SPs whose licenses contain “as if dominant” provisions. For the purpose of this Instruction such SPs are referred to as Dominant Service Providers (**DSP**s).

Except where explicitly stated otherwise, the requirements of this section apply in addition to the provisions set out in Section 3.

The Authority announced in its policy statement of 25 Jun 2014[7] that it would focus on wholesale markets rather than retail markets as a result the primary aim of Retail Tariff regulation is to ensure that there is no anti-competitive conduct caused by a DSPs Retail tariffs.

According to international best practices the ARF prohibits anti-competitive conduct[8], which includes e.g. pricing below cost[9]; Cross subsidizing,[10] ppredatory pricing;[11] excessive pricing[12]. This will also include to engaging in a price-margin squeeze[13]

4.1 Tariff Filing and Review

4.1.1 Tariff filing

DSPs must ensure that all Tariffs that contain any service or service elements that falls within a Relevant Market in which the SP has been designated as dominant are filed and approved by the Authority in advance of their proposed effective date.

4.1.2 Tariff Review

The Authority shall have twenty (20) working days, from the date on which a Tariff filing is received, 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.

For Tariffs subject to Annex V this timeline is five (5) working days.

If the Authority decides that an extended review of a proposed Tariff is necessary, it shall notify the DSP in writing and shall specify the procedures and timetable for the Tariff review,

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[7] http://www.ictqatar.qa/en/documents/download/Policy Statement-Regulating for the future-En.pdf

[8] 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 subsidize another telecommunications service supplied

9- Performing any actions that have the effect of substantially lessening competition in any telecommunications market

[9] ibid

[10] ibid

[11] 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.

[12] Article (29) of the Telecommunications Law. 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.

[13] As defined in 4.2.4Absence of a Price Margin Squeeze

including any consultation or other relevant process with respect thereto, in accordance with the Applicable Regulatory Framework or as determined by the Authority.

If after launch there are concerns that the tariff is anti-competitive the Authority may initiate an ex-post review of the Tariff.

4.2 Safeguards against Anti-Competitive Conduct

Reflecting the Authorities move to focus to a wholesale focus the Authority's primary concern is that a DSP's Tariffs do not have anti-competitive effects. The forthcoming Competition policy will outline the definitions, measurements and remedies for anti-competitive behaviour.[14]

4.2.1 Charging

Prior to the finalisation of the Competition Policy and the Wholesale Charges Order[15] the Authority requires cost justifications that ensures all relevant cost elements (wholesale and retail) are taken fully into account.[16] Relevant parameters and assumptions used in calculations have to be made transparent and fully explained.

In the absence of reliable cost data, the Authority may choose appropriate proxies or rely on benchmarking.

The Authority requires such cost justifications to be presented as part of the Tariff Filing with the exception of Tariffs in the Markets listed in Annex V.
For the avoidance of doubt, the removal of the requirement to demonstrate compliance with the ARF prior to launching a Tariff does not remove the other obligations imposed under the ARF. The DSP must be able to demonstrate on request of the Authority that a Tariff is in compliance with the ARF as set out in the remainder of this section.

In order to demonstrate that the DSP is compliant with the ARF and pricing above cost the DSP is required to provide quarterly reports, which clearly demonstrate that the Relevant Markets as a total are above the applicable cost standard. For the avoidance of doubt, the current MDDD report is not sufficient for such a reporting.

4.2.2 Relevant wholesale charges must be applicable

Cost sourced from an approved RAS cannot be used in cost justifications until the DSP can demonstrate non-discriminatory treatment in charging for wholesale inputs to its downstream competitors.[17] Before such wholesale inputs have been agreed price floors that are based on the cost proxy methodology as per Annex VI will be used.

4.2.3 Absence of cross-subsidisation

[14] This will include a Price Margin Squeeze test which is also discussed in the Wholesale Charges consultation (Setting Wholesale Charges and Retail Charges CRA 2014/07/15 15 July 2014.)
[15] ibid
[16] The current cost regime, employs a Fully Allocated Cost model, based on Historical Cost Accounting. Regulatory Accounting System (RAS) Orders for the financial years 2013+ issued to Ooredoo Q.S.C. (CRA 2014/05/26a dated 25 May 2014
[17] This means that the (lower) charges out of a RAS must be available wholesale, typically in Reference Offers

Unless explicitly approved by the Authority cross subsidisation is explicitly forbidden by the Telecommunications Law:

(43) 7- using revenues or transferring a part of cost of a specific telecommunications service to subsidise another telecommunications service supplied by a service provider except where such subsidy is approved by the General Secretariat;

It is the obligation of the SP to demonstrate that a Tariff does not contain cross-subsidies. Until a more detailed methodology has been developed the Authority requires each offer, or its elements to be above cost.

Nevertheless, the Authority will approve

i. An offer including a multitude of destinations sold at one price point, where the whole offer is above cost. This offer may contain price points, which are – taken in isolation – below cost.
ii. Bundles (e.g. “value packs” with multiple services including 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.

4.2.4 Absence of a Price Margin Squeeze

DSPs must demonstrate the absence of a Price Margin-Squeeze (PMS) for their services. This should be based on the Wholesale Charges of existing wholesale products or, where relevant, the charge of proposed wholesale products.
The Price Margin Squeeze test follows the same mechanic as the Retail Charge Floor and checks whether competing SPs can replicate the retail service with wholesale inputs. The Authority will consider the best available information in deciding the appropriate levels of prices:
Price Margin Squeeze will be further discussed in the forthcoming Competition Policy

4.2.5 Wholesale inputs

In order to ensure that a competing SP can replicate a retail product a DS, if required, cannot offer a retail product without an offer of the equivalent wholesale product[18,].

4.3 Discounts

4.3.1 Justification for discounts

DSPs must be able to objectively justify all discounts. This objective justification should be a part of the Tariff Filing prior to launch for all Tariffs with the exception of Tariffs in the markets listed in Annex V.

4.3.2 De Minimis Provisions for Promotional Offers

Objective justifications are not required on a de minimis basis for these categories of discounts:

i. Single service element-

[18] This includes, but not limited to, Reference Offers and Access/Interconnection requests

Discounts of up to 10% for a single service element for promotional offers;

ii. One month rental off-
Discounts of up to one month rental for short term promotional offers;

iii. Installation fee-
Promotional discounts for installation, activation or connection fees of less than or equal to 100% of a single monthly fee

Never the less, all promotions shall be filed with the Authority in accordance with this Instruction.

4.3.3 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 DSP. Such "life time calculations" can arguably support nearly any discount level.

Discounts calculated on the "life time" of a customer are not permissible unless the DSP is able to demonstrate that such discounts will not render the product below cost at any time in the future.

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

4.4 Bundles

DSPs must ensure that any Tariff filing involving a bundled Tariff package identifies 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 must to be identified and a comparison between the bundled prices and the corresponding unbundled elements must be made. The separated prices must, individually, be able to pass the price floor test and not be subject to cross subsidisation.

A DSP must ensure that services are not bundled in a fashion in order to leverage or foster market power. The authority would typically not approve a fixed/mobile bundle in the advent of the introduction of fixed-only player.

4.5 Project Business

DSPs who provide a host of services outside the scope of their Individual Licenses e.g. in-house cabling and the supply of IT and other telecommunications equipment e.g. PABX in a "project fashion" (Project) are required to apply Tariffs as filed to and approved by the Authority and to clearly identify the applicable prices as per the approved Tariffs in their bids for project work.

4.6 Upgrade and Downgrade Charges

Any differentiation in price between upgrading and/or downgrading a service must be objectively justified. Without an objective justification, based on cost, the Authority would consider a higher downgrade charge as a "penalty" to subscribers and hence would not grant an approval for the Tariff.

For example, the charge for a customer to change from 10Mbps to 100Mbps must 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.

4.7 Undue Discrimination

Further to the provisions in section 3.9 DSPs may offer differing terms if such terms can be objectively justified based on differences in supply conditions including differing costs, traffic volumes or a shortage of available facilities or resources. CRA expects such objective justification to be typically based on cost.

4.8 On-net/off-net pricing differential

On-net/off-net differentials cause various concerns, inter alia but not limited to that a) on-net prices are below cost b) that the cheap(er) on-net prices are funded by the higher off-net prices, c) that on-net/off-net pricing differential constitutes discriminatory behaviour and d) on-net/off-net pricing differential causes network externalities (club effect), which overly favour the bigger (dominant) Service Provider.

In the absence of an objective justification for on-net/off-net pricing differentiations, DSPs must not 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. 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.

5 Implementation and Compliance

5.1 Compliance

Compliance with this Instruction is mandatory.

Failure to comply with this Instruction may result in penalties including imprisonment for up to 2 years and/or a fine of QAR100,000 under Article 70 of the Telecommunications Law. Additionally, a violation of any term of an Individual License is punishable by imprisonment of up to one year and a fine of QAR 1million pursuant to Article 67 of the Telecommunications Law. In case of repeated offences the penalty shall be doubled pursuant to Article 72 of the Telecommunications Law.

Failure to comply with this Instruction may also result in penalties and sanctions permissible under the ARF such as but not limited to the following:

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

Where obligations have been removed, the Authority may re-impose the same obligations in respect of particular markets or price categories.

5.2 Implementation

This Instruction comes into effect immediately.

5.3 Review

This Instruction will be reviewed by the Authority from time to time to ensure it remains relevant to developments in the market.

Signed

Saleh Al-Kuwari
Chairman of the CRA Management Committee

Annex I Glossary, acronyms and abbreviations

ARF	Applicable Regulatory Framework
CD	Consultation Document
Customized Tariff	A Tariff or offer within a Tariff that is available only to a specified set of customers
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").[19]
DSP	Service Providers who have been designated as dominant and those who are treated as dominant within their Individual License
DOPP	Director of Public Prosecution
Executive By-Law	Executive By-Law for the Telecommunications Law 2009
FAC	Fully Allocated Cost
FTR	Fixed Termination Rate
HCA	Historical Cost Accounting
CRA	Communications Regulatory Authority
IDD	International Direct Dialing
Individual License	A License granted to a particular person in accordance of the provisions of chapter three of the Telecommunications Law
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
Standard Tariff	Tariff that is available to all customers
SP	Individually Licensed Service Provider
SIM	Subscriber Identity Module

[19] 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, these 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 Schedule of Exempted Relevant Markets

This Annex lists markets where the obligation of a Dominant Service Provider to provide ex-ante cost based justification has been lifted. As per the Decision from the Communications Regulatory Authority on Cost-Based Pricing Obligations of Dominant Service Providers of 5th June 2014:

i. M3: Public international telecommunications services at a fixed location and via a mobile device;
ii. M6: Public national telecommunications service via a mobile device ; and
iii. M7: Broadband services via a mobile device

The Authority may adjust the exempted markets in line with updated Market Definitions.

Annex VI Pre-Approval Frameworks

De Minimis[20]

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 the Authority.

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 cost information that has been approved by the Authority 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 the Authority:
(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
(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

[20] RA-PETA/01-161011

On request of the Authority the SP will stop or delay the launch of the promotion immediately.
On request of the Authority the SP will immediately supply any requested information.

Humanitarian and Disasters[21]

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 the Authority 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 the Authority's Tariff team in e-mail format.

[21] RA-PETA/01-130311

Annex VII Cost Proxy Methodology

For international calls, originated from a mobile device

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

For national calls, originated from a mobile device

Retail price floor for national calls =
(MOR + MTR*%MT + FTR * (1-%MT)) x (1.3 + RMU) x (1 + 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 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.

The advertised rate (**AR**) has to exceed the price floor (AR>retail price floor).

Mobile Origination Rate (**MOR**)	MTR is taken as a proxy
Mobile Termination Rate (**MTR**)	as set by the Authority and reflected in the contracts between the SPs
Fixed Termination Rate (**FTR**)	as set by the Authority and reflected in the contracts between the SPs
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, the Authority 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[22]
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

[22] Notice on Revised Interim Rules for Retail Tariff Assessment Ref: RA-ASG/02281211 Date 28/12/2011

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 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: $AP >= (MOR + IOT) \times (1 + RMU + CRF) / (1+G_{IDD})$.

*** End of document ***