

# Retail Tariff Regulation

*Draft For Consultation*

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## CHAPTER ONE: DEFINITIONS

1. In the application of the provisions of this Regulation, the following words and expressions shall have the meanings set out against them unless the text otherwise requires:
  - i. **“Below the Line Offer”**– means a Promotional Offer by a non-Dominant Licensee directly and only to a specific Consumer, or a group of Consumers, without publishing or advertising the offer;
  - ii. **“Bespoke Offer”** means an Offer by a Licensee to a specific Business Consumer to meet its unique, specific and objective requirements and involves a tender;
  - iii. **“Bundle”** means a combination of telecommunications services provided by a Licensee under a combined rate where the offering of one or more services within the combination is conditional on acceptance of the entire combination;
  - iv. **“Business Consumer”** means a company, organization or business having separate legal entity who has entered into an agreement with a Licensee for the purpose of provision of telecommunications services to its employees or for its own use;
  - v. **“Consumer”** means any person provided with, or requesting to be provided with telecommunication services from a licensee for its own use, and not for the provision of a public telecommunications service;
  - vi. **“Dominant Licensee”** means a licensed telecommunications service provider that has been formally determined to be dominant by a decision of the Authority in a relevant Retail Market;
  - vii. **“Fair Usage Policy”** means a policy aiming to protect the available network resources for Consumers by imposing a set of constraints, caps or practices to ensure that the service is not abused so that every Consumer can use the service fairly;
  - viii. **“Loyalty Program”** means a set of rewards and incentives granted by a Licensee to its Consumers for use of its services;
  - ix. **“Minimum Commitment Period”** means the minimum mandatory period during which a Consumer must subscribe to a Tariff;

- x. **“Permanent Offer”** means an offer of Tariff for the provision of a telecommunications service that does not include a condition that it shall cease to operate on a specified date;
  - xi. **“Promotional Offer”** means an offer of Tariff for the provision of a telecommunications service that includes a condition that the period of offer or the period of utilizing the offer shall cease to operate on a specified date;
  - xii. **“Retail Market”** means a market for the provision of public telecommunications services to end-user Consumers, which are not themselves providers of telecommunications services, and which is defined by the Authority as a relevant market;
  - xiii. **“Tariff”** means any charge levied by a Licensee for provision of its retail services to Consumers and the related terms and conditions;
  - xiv. **“Tariff Application”** means the application in the prescribed format through which the Licensee submits its proposed Tariff to the Authority for approval or filing;
  - xv. **“Tariff Application Submission Electronic System”** means the electronic system developed by the Authority through which the Licensee shall submit its Tariff applications for approval or filing; and
  - xvi. **“Tariff Number”** means the unique number produced by the Tariff Application Submission Electronic System to identify a Tariff.
2. This Regulation shall supersede Retail Tariff Regulation (Decision 27/2016) and any other directive not consistent with this Regulation.
  3. This Regulation shall be applicable on all Licensees who are providing Public Telecommunications Services to Consumers.
  4. Compliance with the provisions of this Regulation shall be without prejudice to any other obligations provided for in the applicable laws and regulations of the Sultanate.
  5. The Authority may issue necessary guidelines, decisions, directions or instructions, as and when required, to implement the provisions of this Regulation.

6. Licensees shall make sure that all their existing Tariffs are amended so as to comply with this Regulation within three (3) months of issuance of this Regulation.

## CHAPTER TWO: GENERAL PROVISIONS

### Tariff Application

7. The Licensees are obliged to submit Tariff Application to TRA for filing or approval before launching the Tariff.
8. The Tariff Application for filing or approval shall not be considered to be received by the Authority unless and until technical issues, security arrangements, frequency spectrum issues, type approval, legal review of third-party agreements, and other non-Tariff issues are cleared by relevant departments within and outside the Authority.
9. The Tariff Application shall be submitted by a Licensee, through its duly authorized representative, through Tariff Application Submission Electronic System in the form provided in Annex-1 of this Regulation.
10. The Licensee shall inform the Authority the launch date of Tariff through Tariff Application Submission Electronic System - not later than one (1) day from its launch along with the brand/marketing name and links to Licensee's website and App where such Tariff is published.

### Provision of Information

11. The Licensees shall provide below information to the Authority:
  - a. For Each Permanent Offer - Number of subscriptions and usage of each service with monthly breakdown to be provided every quarter within 10 working days of the end of last quarter;
  - b. For Each Promotional Offer - Number of subscriptions and usage of each service with monthly breakdown to be provided within ten (10) working days of the end of respective Promotional Offer;
  - c. Any other information requested by the Authority shall be submitted within the prescribed time period.

### Tariff Re-assessment

12. The Authority may at any time after a Tariff has been approved or filed, either on its own initiative or in response to a request from a licensee or an interested third party, including a Consumer, re-assess the appropriateness of the Tariff and determine whether it should continue, be amended or withdrawn.
13. The Authority may, at any time and on its own initiative, consider a re-assessment where:

- a. the information provided by the Licensee was incorrect or misleading in a in the view of the Authority;
- b. the Tariff is detrimental to the interest of Consumers;
- c. the Tariff is likely to lessen, distort or eliminate competition in the market;  
or
- d. the Tariff is not in compliance with this Regulation.

### Miscellaneous

- 14. The Authority shall have the power to:
  - a. set and determine Tariffs for any telecommunications service and for any Consumer or class of Consumers;
  - b. require the publication of Tariff for telecommunications services in the manner it deems appropriate; and
  - c. issue directions and instructions to a Licensee in respect of Tariffs as it deems appropriate.
- 15. Nothing in this Regulation is intended to limit, diminish or otherwise prejudice the power of the Authority to:
  - a. Regulate the Tariff for a telecommunications service, in the absence of a declaration of dominance, or the imposition of a price regulation regime, or the designation of a service as a regulated service;
  - b. Forebear from regulating a Tariff for a service, or doing anything under this Regulation where it appears to the Authority to be just and reasonable to do so; or
  - c. Impose price ceilings or price floors on any telecommunications service.

## CHAPTER THREE: DOMINANT LICENSEE TARIFF

### Tariff Application

#### *New or Amended Tariff*

16. The Dominant Licensee shall not advertise or charge a new Tariff or amend an existing Tariff without obtaining approval from the Authority.
17. The Dominant Licensee shall not offer two or more retail services together as a Bundle, where one of which is a service under a Retail Market in which it is determined to have a dominant position by the Authority, except after obtaining the Authority's approval for this Bundle pursuant to the provisions of this Regulation.
18. The Dominant Licensee shall, at the time of submitting a Tariff Application for approval, prove to the Authority that other licensees have been, or shall be, provided with corresponding wholesale services, where applicable, at fair and reasonable commercial terms, to enable those licensees to replicate the Tariff of Dominant Licensee.
19. The Dominant Licensee in its Tariff Application for implementing a new Tariff or amending an existing Tariff shall demonstrate that it is not anti-competitive including, but not limited to, price discrimination, predatory pricing, margin squeeze, excessive pricing and lock-in of Consumers.
20. The Tariff Application for implementing a new Tariff or amending an existing Tariff shall also be supported with:
  - a. Cost calculations which show that the proposed Tariff shall not result in predatory pricing (see Annex 2).
  - b. Cost calculations which show that the proposed Tariff shall not result in margin squeeze for other Licensees after taking account of the charges that apply to wholesale service inputs needed to provide the retail service (see Annex 3).

#### *Withdrawal of Tariff*

21. The Dominant Licensee shall not withdraw or discontinue a Tariff without prior approval of the Authority.
22. The Dominant Licensee shall submit to the Authority an application to withdraw or discontinue the Tariff, which includes, at a minimum, the following information:

- a. A description of the Tariff to be withdrawn or discontinued;
  - b. The number of current Consumers of the Tariff;
  - c. The proposed date on which the Tariff will be withdrawn or discontinued;
  - d. Sales revenue and volume for the Tariff;
  - e. Proposed process to notify affected Consumers of the withdrawal or discontinuation of the Tariff;
  - f. Proposed substitutes for the Tariff that is proposed to be withdrawn or discontinued; and
  - g. Proposed arrangements for refunding credits or pre-payments associated with the Tariff which is proposed to be withdrawn or discontinued.
23. The information set out above shall be provided for the last twelve (12) months, or, if less, such period for which the Tariff was provided, to allow the Authority to assess the likely impact on consumers of the withdrawal or discontinuation of the Tariff.
24. Where the withdrawal or discontinuation of a Tariff is associated with the introduction of a new Tariff, the Authority shall deal with both the new Tariff approval application and the Tariff withdrawal or discontinuation application together.
25. Following the receipt of the Authority's written approval for the withdrawal or discontinuation of the Tariff, the Dominant Licensee shall give its current users at least sixty (60) calendar days' notice of its decision to withdraw or discontinue the Tariff.

### **Promotional Offer**

26. The period during which a Promotional Offer can be launched by a Dominant Licensee shall not exceed ninety (90) calendar days in total from the commencement of the Promotional Offer.
27. The period of availing benefits under a Promotional Offer by a Dominant Licensee shall not exceed ninety (90) calendar days and shall not be used to lock-in Consumers for longer period.

28. The Dominant Licensee shall not commence a Promotional Offer within six (6) months of the cessation of a substantially similar Promotional Offer. In determining whether a Promotional Offer is substantially similar, the Authority will assess whether the Promotional Offer reduces the effective price of the service that was subject to a reduction through a previous Promotional Offer.
29. The Dominant Licensee shall not be allowed to overlap Promotional Offers such that the Tariff is reduced more than once due to the effect of Promotional Offers.

### **Below the Line Offer**

30. For the avoidance of doubt, the Dominant Licensee shall not be allowed to launch Below the Line Offer.

### **Bundles**

31. The Dominant Licensee applying for approval to introduce a Tariff for a new Bundle or amend an existing Bundle shall file additional information to satisfy the Authority that:
- a. Consumers shall be able to obtain the individual services comprising the Bundle separately where they require;
  - b. Bundle is not provided in an unduly discriminatory manner;
  - c. Whether the Bundle is technically replicable i.e. whether other Licensees can offer a similar Bundle using either their own networks or wholesale products currently provided, or proposed, by the Dominant Licensee;
    - i. Where the Dominant Licensee has demonstrated that the proposed Bundle can be technically replicated by Licensees, it shall also demonstrate that the price of the Bundle as a whole is at least equal to the cost of providing the Bundle, including the downstream costs of providing the retail services and the cost of the wholesale services that other Licensee must purchase in order to provide the relevant retail services.
    - ii. Where the Dominant Licensee is unable to demonstrate that the proposed Bundle can be technically replicated by other licensees, it shall demonstrate that the 'incremental' price of service in the Bundle, which other licensees can technically provide, is at least equal to the cost of that service including the downstream costs of providing the retail service and the cost of the wholesale service

that the Licensee must purchase in order to provide the relevant retail service. The “incremental” price of service within a Bundle is calculated as the price of the bundle minus the stand-alone price of the service in question. For example, in the case of a Bundle including two services, A and B, the incremental price of service A would be  $P_{AB} - P_B$ , where  $P_{AB}$  is the price of the Bundle, while  $P_B$  is the price of acquiring service B on a stand-alone basis.

- d. Whether the Bundle is economically replicable by other Licensees.

### **Bespoke Offer**

32. The Dominant Licensee shall submit its Tariff Application for Bespoke Offer, after seven (7) working days of winning the tender with Business Consumer, to the Authority for its approval.
33. The Tariff Application shall have to be submitted along with all relevant documents and information. For the avoidance of doubt, submission of full tender documents is not required and the Dominant Licensee may redact the name of the contracting entity for confidentiality reasons unless otherwise requested by the Authority.
34. The Authority may approve the Tariff Application if it is satisfied that the proposed Tariff is in accordance with this Regulation.
35. The Dominant Licensee shall not be obliged to publish the Bespoke Offer on its website and other media. For the avoidance of doubt, this exemption is not applicable for standard Tariff for Business Consumers.

### **Loyalty Program**

36. Loyalty Programs shall not be used by Dominant Licensee to attract new Consumers and rewards shall be restricted only to non-telecom services for existing Consumers.
37. The Dominant Licensee shall not be obliged to seek approval of the Authority for offers related to Loyalty Programs which shall be subject to filing requirement as per the process provided in Chapter Four of this Regulation.

### **Review of Tariff Application**

38. On receipt of Tariff Application for approval, the Authority shall review the application within fifteen (15) working days of receipt of the application.
39. The Authority reserves the right to extend the review period of fifteen (15) working days by written notice to the Dominant Licensee for reasons relating

to the nature of the information provided by the Dominant Licensee in terms of volume or technical complexity.

### ***New Tariff***

40. When reviewing the Tariff Application to implement a new proposed Tariff, the Authority may take account of the following considerations:
- a. whether the information provided with the proposed Tariff would enable a Consumer to calculate the cost that the Consumer will incur for any given level of use of the service;
  - b. whether there is an appreciable risk of abuse of dominance or other anti-competitive behaviour such as, but not limited to, the following:
    - i. price discrimination;
    - ii. predatory pricing;
    - iii. margin squeeze;
    - iv. excessive pricing;
    - v. lock-in of Consumers; and
    - vi. bundling or tying of services where the terms on which the bundle or tie is offered are anti-competitive, or the components of the bundle or tie are not available separately to Consumers, or the bundle or tie cannot be replicated by other competing licensees.

### ***Amendment of Tariff***

41. If the Tariff Application relates to amendment of an existing Tariff, the Authority may take account of the following considerations:
- a. the considerations listed in Article 40 above;
  - b. whether the proposed treatment of Consumers who have subscribed to the Tariff before the amendment is not discriminatory and is otherwise fair and reasonable in all the circumstances; and
  - c. whether the proposed notification and communications arrangements are fair and reasonable in all the circumstances.
42. Where the amended Tariff of a Dominant Licensee results in increasing the effective Tariff for existing Consumers in the view of the Authority, the Dominant Licensee shall be required to notify all existing Consumers who use the service at least one billing cycle or thirty (30) calendar days, whichever period is longer, before such amendment takes effect.

### ***Withdrawal of Tariff***

43. If the tariff Application relates to withdrawal and/or discontinuation of an existing Tariff, the Authority may take account of the following considerations:
- a. whether the proposed withdrawal and/or discontinuation of the Tariff is fair in all the circumstances having regard to the alternatives that will be open to existing Consumers;
  - b. whether the information provided suggests that the Dominant Licensee has retained any form of discretion in the manner in which the proposed withdrawal and/or discontinuation of the Tariff is to be implemented;
  - c. whether there is an appreciable risk of abuse of dominance in the treatment of existing Consumers;
  - d. whether the information provided with the application, including any specific conditions relating to the withdrawal and/or discontinuation of the Tariff, suggests that there is an appreciable risk of the withdrawal and/or discontinuation being applied discriminatory or unfairly; and
  - e. whether the proposed notification and communications arrangements are fair and reasonable in all the circumstances.

### **Approval of Tariff Application**

44. The Authority may respond to a Tariff Application for Approval in any one of the following ways:
- a. Approve the Tariff Application as proposed by the Licensee;
  - b. Approve the Tariff Application subject to necessary amendments;
  - c. Reject the Tariff Application and notify the Dominant Licensee of reasons of rejection; or
  - d. Seek further information from the Dominant Licensee, in which case the review period shall commence from date of receipt of requested information.
45. If the Dominant Licensee does not provide the Authority with additional information or respond to questions raised by the Authority within ten (10) working days, the Tariff Application shall be deemed to have lapsed and the Dominant Licensee shall, if it intends to do so, submit the Tariff Application afresh in accordance with this Regulation.

46. The Authority, in its sole discretion, may relax the requirements of Article 40 (b) while approving Promotional Offers, after taking into account the time period of offer, its effect on the interests of Consumers and on competition.
47. If the Dominant Licensee wishes to delay the date of implementation, amendment or withdrawal of Tariff within sixty (60) calendar days from the date of the Authority's approval, the Dominant Licensee shall notify to the Authority the date on which it actually implements, amends or withdraws the Tariff.
48. If the Dominant Licensee wishes to delay the date of implementation, amendment or withdrawal of Tariff beyond sixty (60) calendar days from the date of the Authority's approval, it shall seek a further approval from the Authority after following the same procedures set out in this Regulation.
49. The original approval of the Authority to implement, amend or withdraw a Tariff shall be considered cancelled:
  - a. if the Dominant Licensee does not seek further approval from the Authority to delay the implementation, amendment or withdrawal of Tariff pursuant to the provisions of Article 48 of this Regulation;
  - b. if the Authority asks the Dominant Licensee to implement, amend or withdraw the original Tariff within a time period allowed by the Authority which the Dominant Licensee fails to do.

#### **CHAPTER FOUR: NON-DOMINANT LICENSEE TARIFF**

50. The Non-Dominant Licensee shall file Tariff Application with the Authority, seven (7) working days in advance, to implement new Tariff, amendments, withdrawal of existing Tariff.
51. On receipt of Tariff Application, the Authority shall review the application within seven (7) working days of its receipt and may:
  - a. Accept the Tariff Application;
  - b. Reject the Tariff Application and notify the Licensee of reasons of rejection; or
  - c. Seek further information from the Licensee in which case the review period shall commence from date of receipt of requested information.
52. The Non-Dominant Licensee shall not implement new Tariff, amend or withdraw existing Tariff unless its Tariff Application is accepted by the Authority.
53. The Authority may impose an approval requirement on any Non-Dominant Licensee if the Authority determines that:
  - a. competitive market forces are insufficient to protect the interests of Consumers; and
  - b. there is a significant risk of harm to competitive markets as a result of the relevant Licensee's exemption from Tariff approval obligation.

## **CHAPTER FIVE: TARIFF TRANSPARENCY AND OTHER REQUIREMENTS**

### **Tariff Publication**

54. The Licensee shall publish the Tariff along with all terms and conditions on its website, mobile applications and other media so as to:
- a. ensure that current, accurate, complete, accessible and easy to understand information is available to Consumers about the Tariff;
  - b. enable Consumers to accurately calculate the amounts that they will have to pay for services;
  - c. facilitate the comparison of Tariff by Consumers with other available options; and
  - d. enable Consumers to fully understand the terms and conditions of the Tariff.
55. The Licensee shall at all times maintain on their official website and offices, clear and full information of their Tariffs, which must be fully consistent with the information submitted to the Authority for those Tariffs.
56. The Licensee shall not make, or cause to make, any false or misleading claim or information regarding its Tariffs. A claim or information shall be misleading if, at the time it was made, the Licensee knew or reasonably ought to have known that it was false or misleading in any material respect or that it was reasonably likely to confuse or mislead the person to whom it was made.
57. All Tariffs shall be clear, and legible in the publishing format used by the Licensee. Without limitation, the Licensee shall adhere to the following:
- a. take into consideration the accessibility of the information about Tariff and services to Consumers with special needs; and
  - b. shall not abuse the trust of Consumers or exploit their inexperience or lack of knowledge in a way that technical terms and technology comparisons are used to the extent that impedes the understanding of Consumers.

### **Tariff Advertisements**

58. Licensees shall ensure that all of their Tariff advertisements:
- a. are transparent, fair, truthful, accurate and shall not, directly or by implication, mislead or confuse any Consumer;
  - b. are legible, audible and unambiguous including, but not limited to, their design, colors, font type, font size, tone and volume;

- c. disclose all material information including terms and conditions which are likely to influence the decision of a Consumer in an unambiguous manner;
- d. contain the website address and customer care number of the Licensee to enable the Consumer to obtain complete information pertaining to the Tariff where a full description of the Tariff cannot be accommodated in the advertisement, in which case the advertisement shall state that it is “subject to terms and conditions” or words which have the same effect;
- e. are not framed to abuse the trust of the Consumer, or exploit a Consumer’s lack of knowledge and experience.

59. A Tariff advertisement shall be considered to be misleading, if it:

- a. is likely to induce the Consumer to subscribe to a Tariff, which he would not have subscribed to but for such misleading advertisement ;
- b. contains an untrue statement;
- c. omits a material fact having bearing on the subscriber’s decision to subscribe to a particular tariff plan; and
- d. fails to disclose all limitations and restrictions related to the Tariff.

60. The following instances, which are neither exhaustive nor limited to, are instances of misleading advertisements:

- a. Advertising a particular call rate as “per second” or “per minute” would be misleading in cases where the pulse rate is higher than “one second” or “one minute” respectively;
- b. Advertising a reduced rate would be misleading if it involves any additional charge to the declared rate;
- c. Advertisement of a specific reduced rate would be misleading if it does not indicate that such reduced rate is applicable only after some usage;
- d. Advertising a Tariff which suggests absence of rental, such as “zero rental” or “rental free”, would be misleading if the Tariff has recurring mandatory fixed charge in one form or other;

- e. Advertising a specific rate would be misleading if such rates are applicable only to a specific network unless clearly indicated in the advertisement;
- f. Advertising the titles of a Tariff plan which suggest unlimited usage will be treated as misleading if such plan put restrictions on the quantum of usage in any manner;
- g. Advertising a discounted rate would be misleading if such discounted rate is applicable only during specific duration of time/ period;
- h. Advertising a tariff plan as “per second plan” would be misleading if the per second based tariff is valid for some particular duration only;
- i. Advertising a discounted rate without mentioning the fixed fee component to be paid by the Consumer for availing such discounted rate would be misleading if such conditions are not explicitly stated in the advertisement;
- j. Advertising a specific discounted rate as general rate would be misleading if such rates are applicable only in respect of specific destinations or timings; and.
- k. Advertisement that omits certain vital terms and conditions attached to the Tariff including, but not limited to, validity period would be misleading in situations where such declared tariff benefit is available only for a specific period.

61. The Licensees in their Tariff advertisements shall ensure that:

- a. footnotes, disclaimers, words, or symbols qualifying or excluding any service shall be readily visible, audibly apparent and legible;
- b. footnotes, disclaimers, words, or symbols qualifying or excluding any service shall not contradict, materially qualify, or otherwise alter the basic claims made or implied in the advertisement;
- c. references to detailed terms and conditions in an advertisement shall not have the effect of contradicting, materially qualifying or otherwise altering the basics of any claim made or implied in the advertisement;
- d. exclusions, disclaimers, or limitations that apply to a service shall be clearly stated in the same advertisement; and
- e. details on any exclusion or disclaimer shall be communicated to the Consumer prior to them entering into any contract for the service.

62. The Tariff advertisement shall not use superlative forms, such as, without limitation, “lowest rates”, “widest coverage”, or “best network” unless the Licensee can objectively prove such claims by indicating the source of claim in its advertisement in a clear manner and such source shall be:
- a. from an independent and reputed entity;
  - b. based on latest available test result/research report; and
  - c. free from any caveat, condition or limitation.
63. The Licensee shall refrain from making direct/indirect reference to other Licensees’ brand names, logos and trademarks and shall not unfairly criticize, discredit, or disparage a competitor or its products and/or services in its advertisement.

#### **“Free” Claim**

64. The Licensee shall only claim a service as “free” if it is in fact free, without any direct or indirect costs, to the Consumer in obtaining the service.
65. The Licensee shall not describe a service as “free”, which is based on a condition to buy another service, if the quality or quantity of paid-for service is reduced or the price of paid-for service is increased to cover the cost of providing free service.
66. The Licensee shall not describe a service as “free” if the Consumer has to pay anything, directly or indirectly, for the service.
67. The Licensee shall make clear the extent of the commitment the Consumer must make to take advantage of a "free" offer.
68. The Licensee shall not describe a service as “free” if there is a cap on the usage without indicating it clearly to the Consumer.
69. In case of Bundle, where a claim is made that if one component is purchased another will be provided “free of charge”, the Licensee shall clearly state what component is free, and whether it is limited for a period of time.

#### **“Unlimited” Claim**

70. The Licensee shall only claim a service as “unlimited” if that service is provided without any limitation, except for inherent technical limitations.

71. The Licensee shall not describe a service as “unlimited” if there is a cap on the usage of the service or the speed/quality of service is reduced after certain usage;
72. The Licensee shall not describe a service, which is subject to a Fair Usage Policy, as “unlimited” unless:
- a. the existence of the Fair Usage Policy is clearly stated in the advertisement;
  - b. the Fair Usage Policy is fair and reasonable; and
  - c. Consumers shall incur no additional charges or face capping of usage or suspension of the service as a consequence of exceeding any usage threshold associated with the Fair Usage Policy.

### **Speed Claim**

73. The Licensee shall not describe a service as having “xx speed” if such speed does not correspond to that service.
74. Any claim regarding download speeds shall be based on the actual experience of an average Consumer and not the maximum which only few Consumers can experience.

### **Fair Usage Policy**

75. Where a service is subject to a Fair Usage Policy, the Licensee shall clearly indicate such policy to Consumers prior to entering into a contract.
76. The Licensee shall not implement any Fair Usage Policy, unless after obtaining approval of the Authority.
77. The Authority will allow Fair Usage Policy only if justified through objective reasons, including, but not limited to, the avoidance of congestion, and the illegitimate or excessive use of the unlimited service by certain Consumers and is fair and reasonable to both the Licensee and Consumers.
78. Licensees shall ensure that their Fair Usage Policy include, as a minimum:
- a. Information to Consumers about their legal obligations and liabilities in making use of the services provided by the Licensee;
  - b. A description of practices which are considered abusive and therefore prohibited; and
  - c. The limits of liability of the Licensee.

### Services on Free Trial Basis

79. The Licensee shall not charge Consumers for services supplied on a free trial basis during such trial period.
80. If a Licensee has provided a Consumer with services on a free trial basis, the Licensee shall not charge the Consumer for such services provided after the end of the free trial period unless:
- a. the Licensee has notified the Consumer in writing of the date on which the free trial period will end, in advance of the relevant date; and
  - b. the Licensee has obtained the express agreement of the Consumer to continue the service after the expiry of the free trial on the applicable Tariff, terms and conditions notified to the Consumer.

### Subscription and Renewals

81. The Licensee shall not charge or subscribe a Consumer to a service or Tariff without first obtaining express consent of the Consumer.
82. The Licensee shall not renew or auto-renew a service contract or Tariff plan without the express consent of a Consumer.
83. The consent of Consumer can be taken by the Licensee in the following manner which shall be applicable to subscriptions/renewals of services/Tariffs including add-ons and other value-added services:
- a. Both 'one-time subscription' and 'auto renewal subscription' options shall be provided to the Consumer and 'one-time subscription' shall be set as the default option;
  - b. Where Consumer is offered on-screen "yes/no" options as part of the subscription process, the "no" option shall be set as the default option to avoid accidental "yes" option.
  - c. No service, whether provided by the Licensee or a third-party, shall be activated by a single-click process.
  - d. For on-line subscriptions and renewals, the Licensee shall use two-step verification mechanism where One Time Password (OTP) is sent to Consumer for validation and confirmation.
  - e. A post-subscription confirmation shall be sent to the Consumer in the selected language.

84. Where the Consumer selects 'one-time subscription' option, the consequences of not renewing the service/Tariff including, but not limited to, applicable charges shall be notified to Consumer by the Licensee before the end of subscription period.
85. Where a service is subject to upgrade or migration options, the Licensee shall provide Consumers with clear information regarding the upgrade or migration terms, including but not limited to any changes in service performance or changes in the Tariffs for the service and shall not upgrade or migrate a Consumer without the express consent of the Consumer unless such upgrade or migration is undoubtedly to the advantage of the Consumer without any additional cost.
86. The Licensee shall offer the activation and deactivation of services and plans through different platforms in a Consumer-friendly, equal and non-discriminatory manner.
87. The Licensee shall not price their subscription packs less than the total value of services and benefits included in the packs.

#### Usage Levels

88. Where a Tariff includes a usage limit, the Licensee shall provide the Consumer with a notification when the Consumer's usage has reached a certain limit as prescribed by the Authority from time to time.
89. The Licensee shall advise Consumers subject to a usage limit that they will receive notification when their usage reaches the prescribed limit and the manner in which the notification will be made. Such notification shall contain the applicable charges the Consumer has to pay after full utilization of a Bundle and options to subscribe to new Bundles.
90. The Licensee shall provide Consumers with an easy-to-use and practical means of monitoring their usage of services to enable Consumers to better control their own usage in any period.
91. If a Tariff contains basic and bonus usage limits of a service, the Licensee shall clearly communicate to Consumers the manner and priority in which such usage limits will be consumed.

#### On-Net/Off-Net Pricing Differentials

92. The Licensees shall not apply any on-net/off-net price differential and resultantly the voice and video calls, SMS, MMS and other services, made from the Licensee's network to another Licensee's network shall be charged at the same amount as a unit of service inside the Licensee's network.

93. In case of Bundle, the units of service (e.g. call minutes) included in the Bundle shall be equally available for on-net and off-net usage.
94. For the avoidance of doubt, calls to/from users within a closed user group can have specific call rates.

### **Minimum Commitment Period**

95. Licensees may impose Minimum Commitment Period longer than one month as a condition for a discount amount or other benefits, provided that any penalties imposed by the Licensee for termination by the Consumer before the Minimum Commitment Period are reasonable, justified and in line with the provisions of this Regulation.
96. For mobile services, the Licensee shall not impose commitment requirement for any Tariff plan unless the same is also offered to Consumers without commitment and the discount offered or benefits with commitment plan shall not exceed the limit set by the Authority or otherwise objectively justified by the Licensee.
97. Subject to Article 95 above, the Minimum Commitment Period in connection with any Tariff shall not be longer than twenty-four (24) months.
98. The penalties imposed by the Licensee for termination by the Consumer before the Minimum Commitment Period shall not exceed the following amount:

$$2 \times \text{Monthly Rental} \times \text{Remaining number of months of the Minimum Commitment Period} / \text{Total number of months of the Minimum Commitment Period}$$

Where 'Monthly Rental' excludes any and all charges applied for add-ons, optional packs (even if those charges are fixed and recur monthly) and any variable charges for service consumption including out-of-bundle charges.

99. The Licensee shall have the right to recover any unpaid instalment of the device provided to Consumer, if the contract is terminated by a Consumer before the Minimum Commitment Period, which shall not exceed the following amount:

$$\text{Device Price} \times \text{Remaining number of months of the Minimum Commitment Period} / \text{Total number of months of the Minimum Commitment Period}$$

### Quizzes, Competitions, Lucky Draws or Prizes

100. Licensees shall only use quizzes, competitions, lucky draws or prizes as part of marketing or promotion of their services and in no case the Consumer shall be charged before or after participating in the quiz, competition, lucky draws or prizes.
101. The Licensee shall be allowed to launch quizzes, competitions, lucky draws or prizes for a duration not exceeding thirty (30) calendar days during a six (6) months period.
102. The Licensee shall not use congratulatory phrases when promoting quizzes, competitions, lucky draws or prizes in an effort to mislead the Consumer to prompt a misinformed subscription action.
103. A Licensee offering quizzes, competitions, lucky draws or prizes must include the following information in its relevant promotion material or advertisement:
  - a. the closing date for participation in quizzes, competitions, lucky draws or prizes;
  - b. a full description of the service, promotion or offer clearly and accurately in terms that will be readily understood by the Consumers concerned;
  - c. any restrictions on the number of entries or prizes;
  - d. a full description of the prizes, the eligibility criteria, proof-of-purchase, special permissions associated with minors or others, and limitations on participation;
  - e. whether a cash alternative can be substituted for any prize;
  - f. how and when results will be published; and
  - g. the way in which prizes will be delivered to prize-winners.

### Handsets/Devices

104. The Licensee shall not subsidize a mobile handset whether sold separately or as a Bundle with a telecommunication service.
105. The Licensee shall not lock a device intending to limit its usage solely within the Licensee's network.
106. The subscription to additional services or devices provided by the Licensee shall not extend the original duration of the contract to which such

services or devices are added, unless the Consumer expressly agrees otherwise when subscribing to the additional services or devices.

### **International Roaming**

107. The Licensees shall notify the Consumer through SMS once international roaming is activated either upon arrival in the visited country or during transit as the case may be.
108. The validity period of roaming bundles shall only start upon receiving the SMS notification by a Consumer from the Licensee.
109. The SMS notification shall also contain the applicable roaming charges for voice call, SMS and data services.

## CHAPTER SIX: MONITORING AND COMPLIANCE

110. The Authority shall monitor the compliance of Licensees with this Regulation with regards to, but not limited to:
- a. launching or withdrawing a Tariff without approval or filing with the Authority;
  - b. continue offering a Promotional Offer after its validity period;
  - c. not placing all approved/filed Tariffs on Licensee’s website;
  - d. not updating Tariff Application Submission Electronic System in a timely manner to record launch/withdrawal of Tariff;
  - e. advertising a Tariff differently than the approval or filing;
  - f. advertising a Tariff without fully disclosing relevant terms and conditions;
  - g. advertising a Tariff with misleading message;
  - h. advertising a Tariff in a non-transparent manner;
  - i. advertising a Tariff with unsubstantiated claim; and
  - j. failure to provide required information in timely manner.
111. Without prejudice to the provisions of Article (51) Repeated of the Telecommunications Regulatory Act, in the event of a breach by the Licensee to the provisions of this Regulation the, the Authority may, without limitation:
- a. suspend or cease the approval or filing of the Tariff;
  - b. obligate the violator to remedy the damages caused by the violation;
  - c. make refunds to affected Consumers; or
  - d. take any other appropriate measures.
112. Without prejudice to Article 105, the TRA shall impose the following penalties as the minimum penalty against each breach:

	<b>Violation</b>	<b>Minimum Penalty</b>
1	Implementation, amendment or withdrawal of a Tariff by a Dominant Licensee without obtaining approval of the Authority.	20,000 Omani Riyals

2	Provision of false or misleading information by a Dominant Licensee to the Authority intending to affect approval of a Tariff.	15,000 Omani Riyals
3	Continue offering a Promotional Offer after its validity period by a Dominant Licensee	10,000 Omani Riyals
4	Implementation, amendment or withdrawal of a Tariff by a Non-Dominant Licensee without acceptance of its filing with the Authority.	10,000 Omani Riyals
5	Failure to provide timely and accurate information to the Authority.	10,000 Omani Riyals
6	Failure to place all approved/filed Tariffs on Licensee's website.	10,000 Omani Riyals
7	Failure to update Tariff Application Submission Electronic System in a timely manner to record launch/withdrawal of Tariff.	10,000 Omani Riyals
8	Advertising a Tariff differently than the approval or filing.	8,000 Omani Riyals
9	Advertising a Tariff without fully disclosing relevant terms and conditions.	8,000 Omani Riyals
10	Advertising a Tariff in misleading and non-transparent manner.	8,000 Omani Riyals
11	Subscribing or renewing a Tariff to a Consumer without his/her explicit consent.	15,000 Omani Riyals

113. The Authority may impose any of the fines provided in Article (51) Repeated of the Telecommunications Regulatory Act in the event of violating the provisions of this Regulation, taking the following factors into consideration:

- a. the severity of the breach;
- b. the impact of the breach in terms of the numbers of Consumers affected and the amount of revenue involved;
- c. whether the breach has continued for a long time;
- d. whether the Licensee has been warned of the breach and failed to take any opportunity given by the Authority to rectify behaviour resulting in the breach;
- e. whether the Licensee has committed similar breaches in the past;

- f. the readiness displayed by the Licensee to cooperate with the Authority to terminate the breach and to rectify the situation caused by the breach, once it was identified; and
- g. the likely effect of the fine or penalty to discourage similar breaches in the future by the Licensee concerned and by other Licensees.

**Form of Tariff Application**

Identification of the Licensee	<ul style="list-style-type: none"> <li>➤ Name, contact details and relevant license number of the licensee making the submission.</li> <li>➤ Name, position and contact details of the person responsible for addressing any questions or queries from the Authority.</li> </ul>
Identification of the Tariff	<ul style="list-style-type: none"> <li>➤ Marketing/brand name of the Tariff.</li> <li>➤ Type of Tariff: <ul style="list-style-type: none"> <li>▪ Permanent or Promotional</li> <li>▪ Bundled or Standalone</li> <li>▪ Pre-paid or Post-paid</li> <li>▪ Below the Line</li> <li>▪ Bespoke</li> <li>▪ Loyalty Program</li> </ul> </li> <li>➤ Tariff Number</li> </ul>
Target Customer	<p>Market segment targeted by the Tariff, e.g., whether it is aimed at:</p> <ul style="list-style-type: none"> <li>➤ residential or business customers. If for business customers, whether it is limited to corporate customers of a certain size or meeting some other conditions such as SMEs, Educational establishments, etc.</li> <li>➤ Special needs people.</li> </ul>
Purpose	<ul style="list-style-type: none"> <li>➤ Indicate whether the application relates to a new Tariff, the amendment of an existing Tariff or withdrawal of an existing Tariff</li> <li>➤ Indicate whether the application is a substantially similar promotion which reduces the effective price of a service that was subject to a reduction by a previous promotion.</li> <li>➤ In case of amendment or withdrawal of an existing Tariff, the licensee must identify the relevant existing Tariff, along with its Tariff Number, and provide details of, and reasons for, such amendment or cancellation.</li> </ul>
Validity Period	<p>Proposed launch date of the Tariff.</p> <p>In case of a Promotional Offer, also indicate the end date of Tariff and total duration of the Tariff.</p>
Type of Service	<p>Classification of service, for example:</p> <ul style="list-style-type: none"> <li>▪ Bundled or Standalone</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Fixed or Mobile</li> <li>▪ Data Service</li> <li>▪ Local or international voice calls service.</li> <li>▪ Any other services.</li> </ul>
Service	Full description of service and subscription process.
Tariff	<p>Description of the structure and charges in the manner to be communicated to consumers.</p> <p>The description must be comprehensive and sufficient to allow a full understanding of the Tariff. The description must include any service, handsets, equipment or any other benefits which will be part of the Tariff.</p> <p>The description must contain a detailed description of the charges the consumer has to pay including, in particular, the following elements insofar as they are applicable to the Tariff in question:</p> <ul style="list-style-type: none"> <li>➤ Service installation or activation fees</li> <li>➤ Line rental fees and their periodicity (i.e. per month)</li> <li>➤ Fixed (recurring) fees and their periodicity (i.e. per month)</li> <li>➤ Included volumes of services that can be consumed without incurring any additional fees</li> <li>➤ Tariffs applicable to services charged on a per usage base or for exceeding quotas above the included volumes</li> <li>➤ Any factor which may alter the applicable tariffs</li> </ul>
Terms and Conditions	<p>Provide detailed terms and conditions applicable to the Tariff.</p> <p>Indicate whether the Tariff has an associated minimum commitment period, if so, its duration and penalties in case of early termination.</p>
Additional Information	Any additional information or document that can help ensure a proper understanding of the Tariff, such as technical descriptions etc.
Confirmations	<p>Licenses shall provide following confirmations as provided for indicated situations.</p> <p><b><i><u>For new services:</u></i></b></p>

	<p>We confirm that all technical issues, security arrangements, frequency spectrum issues, type approval, standard customer agreement, third party agreements, or other non-Tariff matters have been evaluated, cleared or otherwise resolved by relevant departments.</p> <p><b><u>For new and amended Tariff of Dominant Licensee:</u></b>  We confirm that other licensees have been/ shall be provided with corresponding wholesale services, both in terms of actual service availability and fair and reasonable commercial terms, to enable those licensees to replicate the Tariff and details of such arrangements is provided with the application.</p> <p><b><u>For Tariff amendments and withdrawals</u></b>  We confirm that all existing consumers subscribed to the existing Tariff shall be notified at least one billing cycle or 30 calendar days, whichever period is longer and details of arrangements for such notification, and migration plan to is provided with the application.</p> <p><b><u>For Promotional Offer of Dominant Licensee:</u></b>  We confirm that the proposed Tariff is not substantially similar to any Promotional Offer launched by us in last six (6) months.</p> <p><b><u>For all Tariffs:</u></b>  We confirm that the Tariff complies with the transparency and all other requirements provided in Chapter 5 of the Regulation.</p>
Supporting Information	The Dominant Licensee shall provide all supporting information as required under the Regulation including, but not limited to, cost calculations as attachment to this application.

Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Signature: \_\_\_\_\_

**Predatory Pricing**

Predatory pricing occurs where a Dominant Licensee deliberately incurs short-term losses or foregoes profits in the short term so as to foreclose (or likely to foreclose) a competitor (or a potential competitor) with a view to strengthening or maintaining its market power, thereby causing consumer harm.

In order to address whether a retail offer by a Dominant Licensee leads to predatory pricing, the Authority will assess whether the proposed price of the relevant service is below the costs of providing the service. This assessment will be based on the following profitability criteria:

$$P \geq C$$

Where:

- P is the effective retail price of the relevant service(s); and
- C is the cost of providing the relevant service(s) including operating expenses, depreciation and the cost of capital.

The test shall be based on the cost information from the Dominant Licensee's separated regulatory accounts based on Fully Allocated Cost (FAC) historical cost.

### Margin Squeeze

Margin squeeze may occur when a vertically integrated licensee is dominant in the supply of an input to a downstream market in which it also operates. The vertically integrated licensee could harm competition by setting a low or negative margin between the price it charges for the input in the upstream market and the price it charges in the downstream market. If an efficient downstream competitor who purchases the input is forced to exit the market or is unable to compete effectively, then margin squeeze may have occurred.

In the case of a margin squeeze, the end-to-end costs included in the test shall include the wholesale prices of the necessary inputs for other licensees in addition to any other costs necessary to provide the retail service (including OPEX, depreciation and the cost of capital). As such, the profitability test becomes:

$$P \geq W + C$$

Where:

- 'W' is the wholesale price that other licensee has to pay to the Dominant Licensee in order to provide the relevant retail service.
- 'C' refers to the rest of the costs that have to be incurred for the provision of the relevant retail service(s).

The test shall be based on the cost information from the Dominant Licensee's separated regulatory accounts based on Fully Allocated Cost (FAC) historical cost. While reviewing the Tariff Application, the Authority may also base 'C' on other licensees' costs.