

DATED

2017

Sure South Atlantic Limited
Ross Road East, Stanley, Falkland Islands

INDIVIDUAL OPERATING LICENCE
granted by the Governor
pursuant to sections 33 and 62 of the Communications
Ordinance (No.2 of 2017)

TABLE OF CONTENTS

CONTENTS

PART A - GENERAL CONDITIONS		4
1	DEFINITIONS AND INTERPRETATION	4
2	DURATION AND TERMINATION	8
3	REGULATORY PRINCIPLES	9
4	SUSPENSION, AMENDMENT AND REVOCATION	9
5	NATURE AND SCOPE OF LICENCE	9
6	EXCLUSIVITY	10
7	EXCLUSIONS	10
8	PAYMENT OF LICENCE FEES	10
9	KEY PERFORMANCE INDICATORS	11
10	INFORMATION, AUDIT, INSPECTION AND ACCESS	11
11	CHANGE IN CONTROL	12
12	BREACH OF LICENCE	12
13	EXCEPTIONS AND LIMITATIONS	12
	PART B - GENERAL ACCESS AND INTERCONNECTION OBLIGATIONS	13
14	OBLIGATION TO NEGOTIATE INTERCONNECTION AND ACCESS	13
15	MUST-CARRY OBLIGATIONS	13
	PART C - STANDARDS AND TECHNICAL OBLIGATIONS	14
16	TECHNICAL REGULATIONS	14
17	STANDARDISATION AND SPECIFIED INTERFACES	14
18	CHANGES TO NETWORKS	15
19	MATTERS OF NATIONAL INTEREST	15
	PART D - CONSUMER PROTECTION OBLIGATIONS	17
20	REQUIREMENT TO OFFER CONTRACTS WITH MINIMUM TERMS	17
21	EARLY TERMINATION CHARGES	18
22	REQUIREMENT FOR POWER	18
23	METERING AND BILLING	18
24	ITEMISED BILLS	19
25	NON-PAYMENT OF BILLS	19
26	QUALITY OF SERVICE	20
27	FAIR DEALING	20
28	CONFIDENTIALITY OF SUBSCRIBER'S INFORMATION	21
29	CONFIDENTIALITY OF COMMUNICATIONS	21
30	CODES OF PRACTICE AND DISPUTE RESOLUTION	22

PART E - PUBLIC TELEPHONE SERVICE OBLIGATIONS	23
31 PROPER AND EFFECTIVE PROVISION OF PUBLIC TELEPHONE NETWORKS AND SERVICES	23
32 PROVISION OF DIRECTORY INFORMATION	26
33 ALLOCATION, ADOPTION AND USE OF TELEPHONE NUMBERS	26
34 UNIVERSAL SERVICE OBLIGATIONS	28
PART F – EXCLUSIVE LICENSEE OBLIGATIONS	29
36 NON-DISCRIMINATION	29
37 REQUIREMENT TO PUBLISH CHARGES AND TERMS AND CONDITIONS	29
38 PRICE CONTROLS	29
39 INFRASTRUCTURE SHARING AND DEPLOYMENT	30
40 ACCOUNTING INFORMATION	30
41 NOTICES	30
SCHEDULE 1	32
SCHEDULE 2	17
SCHEDULE 3	19
SCHEDULE 4	30

PART A - GENERAL CONDITIONS

1 DEFINITIONS AND INTERPRETATION

1.1 In this Licence, except in so far as the context otherwise requires:

“Access” means: (a) interconnection of networks with a Crown Operator; or (b) the provision of any services, facilities or arrangements which are not comprised in interconnection; but are services, facilities or arrangements by means of which a Crown Operator is able, for the purposes of the provision of carriage services (whether by a Crown Operator or another person), to make use of: (i) any network or carriage service provided by the Licensee; (ii) any apparatus comprised in such a network or used for the purposes of such a network or service; (iii) any facilities made available by another by reference to any network or service (whether one provided by that provider or another); (iv) any other services or facilities which are provided or made available by another person and are capable of being used for the provision of a carriage service, and references to providing Access include references to providing any such services, making available any such facilities or entering into any such arrangements;

“Adoption” means doing any of the following by a licensee in relation to an Allocated telephone number (whether or not such Allocation is to that licensee): (a) assigning or transferring that number to a particular Subscriber or piece of apparatus; (b) using that telephone number for identifying a service or route used by that licensee or by any of his Subscribers; (c) using that telephone number for identifying an electronic communication as one to be transmitted by that licensee; (d) designating that telephone number for use in selecting a service or the required elements or characteristics of a service; or authorising the use of that telephone number by others for any of the following purposes: (i) identifying the destination for, or recipient of, an electronic communication; (ii) identifying the origin, or sender, of an electronic communication; (iii) identifying the route for an electronic communication; (iv) identifying the source from which an electronic communication or carriage service may be obtained or accessed; (v) selecting the service that is to be obtained or accessed, or required elements or characteristics of that service; or (vi) identifying the licensee by means of whose network or service an electronic communication is to be transmitted, or treated as transmitted;

“Allocation”, in relation to a telephone number, means allocation by the Regulator and Allocated telephone number shall be interpreted accordingly;

“Appropriate Measures” means all technical and organisational measures as agreed with the Regulator which are appropriate to take and which are proportionate to the risks against which they safeguard, having regard to: (a) the state of technological developments; and (b) the cost of implementing the measures;

“Approved electronic communications equipment” means electronic communications equipment that has been approved by the Regulator;

“Caller Location Information” means any data or information processed in a network indicating the geographic position of the terminal equipment of a person initiating a call;

“Code of Practice for Complaints” means a code of practice issued or approved from time to time by the Regulator for the purpose of Condition 30.2 in accordance with section 67 of the Communications Ordinance;

“Commencement Date” means the date of grant of this Licence, being 7th April 2017;

“Communications Ordinance” means the Communications Ordinance 2017;

“Condition” means a Condition in this Licence;

“Crown Operator” means a person who is exempted from the requirement to be licensed pursuant to section 24 of the Communications Ordinance;

“Directory Enquiry Facility” means Directory Information provided by means of a Public Telephone Network;

“Directory Information” means: (a) in the case of a Directory, the name and address of the Subscriber and the telephone number assigned to the Subscriber for their use of public telephone services and, (b) in the case of a Directory Enquiry Facility, shall be either such a telephone number of the Subscriber or information that such a telephone number of the Subscriber may not be supplied;

“Directory” means a document containing Directory Information on Subscribers of public telephone services in the Falkland Islands which is made available to members of the public in the form prescribed by the Regulator;

“Disaster” means any major incident having a significant effect on the general public; and for this purpose a major incident includes any incident of contamination involving radioactive substances or other toxic materials;

“Emergency Call Numbers” means the telephone numbers 999 and 911 (Emergency Services), and any other telephone number designated as emergency call numbers by the Regulator;

“Emergency Organisation” means : (a) the relevant public police, fire, ambulance and coastguard services; and (b) any other organisation, as directed from time to time by the Regulator as providing a vital service relating to the safety of life in emergencies, which excludes Helplines;

“End to End Connectivity” means the facility: (a) for different End-Users of the same network or carriage service to be able to communicate with each other; and (b) for the End-Users of different networks or services to be able, each using the network or service of which each is an End-User, to communicate with each other;

“End-User” in relation to public telephone service or other publicly-available carriage service, means: (a) a person who, otherwise than as a licensee, is a Subscriber for that service; (b) a person who makes use of the service otherwise than as a Subscriber; or (c) a person who may be authorised, by a person falling within subparagraph (a), so to make use of the service;

“Exit Provisions” means the exit provisions set out in Schedule 4;

“Fixed Service” means a communications access service provided at a fixed location and which includes fixed line telephony access services and fixed line internet access services, but for the avoidance of doubt excludes Mobile Services and Over The Top Services, delivered over those access services;

“Helplines” means any helpline designated as such by the Governor by Order under section 28(1)(e) of the Communications Ordinance;

“Individual Spectrum Licence” means a licence issued under the terms of section 55 of the Communications Ordinance;

“Infrastructure” means towers, masts, poles, antennae mounting, ducts, duct chambers or other similar civil engineering or works structures which bear, carry or route any signal carrying or processing elements of a network;

“Intellectual Property Rights” means all inventions (whether patentable or not), patents, Licensee models, supplementary protection certificates, designs (both registered and unregistered and including rights in semiconductor topographies), copyright, database rights, trade and service marks (both registered and unregistered) together with all applications for, rights to the grant of and extensions of the same, and all other intellectual and industrial property including but not limited to all similar or analogous rights throughout the world, in each case for the full term of the relevant right;

“International Standards Bodies” means the International Telecommunication Union (ITU), the International Organization for Standardization (ISO), the International Electrotechnical Committee (IEC), and the European Telecommunications Standards Institute (ETSI);

“Interoperability” means the technical features of a group of interconnected networks (including any End-User apparatus) which ensure End to End Connectivity;

“KPIs” means the key performance indicators set out in Schedule 1;

“Land Rights” means the land rights provisions set out at sections 99 to 100 of the Communications Ordinance;

“Licensee” means Sure South Atlantic Limited, a company incorporated in the Falkland Islands with Company Number 14993 and whose registered office is at Ross Road East, Stanley, Falkland Islands. FIQQ 1ZZ (also referred to herein as **“Sure”**);

“Mobile Services” means any Radiocommunications service the functionality of which enables continued use of speech and data communications across boundaries between the different areas of radio coverage, with no perceptible interruption of such services and which, for the avoidance of doubt, includes a handover process between elements of its mobile network;

“Network Interconnection Interface” means the Technical Characteristics of each interface at any Network Interconnection Point;

“Network Interconnection Point” means the physical location at which interconnection between different public networks takes place;

“Over The Top Services” means a service delivered across an IP (internet protocol) network or any other data network;

“Pay Telephone” means a telephone for the use of which the means of payment may include coins and/or credit/debit cards and/or pre-payment cards, including cards for use with dialling codes. For the avoidance of any doubt, references to a Pay Telephone include references to a Public Pay Telephone;

“Personal Use” means use of a service otherwise than in the course of an electronic communications service business;

“Public Pay Telephone” means a telephone available to the general public, for the use of which the means of payment may include coins and/or credit/debit cards and/or pre-payment cards, including cards for use with dialling codes;

“Public Service” means any carriage service that is provided so as to be available for use by members of the public;

“Public Telephone Network” means a network which is used to provide public telephone services; it supports the transfer between network termination points of speech communications, and also other forms of communication, such as facsimile and data;

“Public Wireless Access Points” means an access point available to the general public, that allows the general public to connect wireless devices to the internet using Wi-Fi and any other standards determined by the Regulator;

“Radiocommunications” means the transmission, emission or reception of messages, sound, visual images or signals using electromagnetic waves which are propagated in space and having frequencies of lower than 3,000 GHz;

“Records” means data or information showing the extent of any network or service actually provided to an End-User and any data or information used in the creation of a bill for an End-User;

“Satellite Phone” means a phone that connects directly to a satellite;

“Subscribers” means a customer of a licensee who is or was party to a contract with the licensee for the provision of networks or services;

“Technical Characteristics” means the physical, electrical and other relevant characteristics and the network interworking and service management protocols;

“Transition Period” shall have the meaning assigned to them in the Exit Provisions; and

“Visitor” means a person that is a non-resident in the Falklands Islands and that is lawfully visiting the Falkland Islands as a visitor.

1.2 For the purpose of interpreting the Conditions in this Licence:

1.2.1 except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in:

- (a) this Licence, and otherwise

- (b) the Communications Ordinance, and otherwise
 - (c) any relevant enactment;
- 1.2.2 for ease of reference, in this Licence terms defined in the Communications Ordinance have been capitalised;
- 1.2.3 subject to Condition 1.2.1, where there is any conflict between the provisions of this Licence and the Communications Ordinance, the provisions of the Communications Ordinance shall prevail;
- 1.2.4 references to Conditions, paragraphs, subparagraphs and appendices are to Conditions, paragraphs, subparagraphs of and to the appendices to this Licence, as modified from time to time pursuant to this Licence and the Communications Ordinance;
- 1.2.5 a document will be incorporated into and form part of this Licence if it is referred to in this Licence and a reference to a document is to a document as modified from time to time;
- 1.2.6 headings and titles shall be disregarded;
- 1.2.7 references to any law, regulation or any enactment include any modification re-enactment or legislative provisions substituted for the same;
- 1.2.8 use of the word “include” or “including” is to be construed as being without limitation;
- 1.2.9 expressions cognate with those referred to in this Licence shall be construed accordingly;
- 1.2.10 words importing: (i) the singular only shall include the plural and vice versa; (ii) the whole shall be treated as including a reference to any part; and (iii) any gender shall include all other genders; and
- 1.2.11 reference to persons shall include firms or companies.

2 DURATION AND TERMINATION

- 2.1 This Licence shall come into force on the Commencement Date and shall continue for an initial period of 12 (twelve) years from 1st January 2016 (the “**Initial Period**”). After the Initial Period, this Licence shall continue until terminated by either party in accordance with this Licence and the Communications Ordinance. For the avoidance of doubt, the Licensee is only required to comply with this Licence from the Commencement Date.
- 2.2 This Licence may be terminated by any party upon service of 2 (two) years’ written notice to the other party, such notice not to expire before the end of the Initial Period.
- 2.3 The Licensee shall comply with Exit Provisions during the Transition Period.

3 REGULATORY PRINCIPLES

The Regulator shall exercise its rights under this Licence in compliance with the Regulatory Principles set out in section 5 of the Communications Ordinance.

4 SUSPENSION, AMENDMENT AND REVOCATION

- 4.1 The Governor may suspend, amend or revoke this Licence in accordance with the procedures set out in section 44 of the Communications Ordinance.
- 4.2 In the event that the Licensee's Individual Spectrum Licence is revoked or otherwise terminated, this Licence shall be terminated with immediate effect.

5 NATURE AND SCOPE OF LICENCE

- 5.1 In the exercise of the powers conferred on it by Section 62 of the Communications Ordinance, and in accordance with the advice of the Executive Council, the Governor grants to the Licensee the right to:

- 5.1.1 own an electronic communications network;
- 5.1.2 operate an electronic communications network;
- 5.1.3 provide electronic communications services; and
- 5.1.4 import Approved electronic communications equipment

within, into, from and through the Falkland Islands, subject to the Conditions of this Licence, regulatory and other measures of the Regulator and the provisions of the Communications Ordinance and subject to all other applicable laws and regulations of the Falkland Islands.

- 5.2 Subject to Condition 39 and to the Land Rights, the Licensee is entitled to carry out any and all projects, construction, and trading activities relating to the establishment, operation, maintenance and improvement of the network.
- 5.3 The Licensee shall not, without the prior written consent of the Regulator sub-license, assign or grant any right, interest or entitlement in the Licence to any person or transfer or dispose of any of its assets that are necessary to provide any carriage service that the Licensee is obliged to provide under this Licence unless such assets have been adequately replaced.
- 5.4 Condition 5.3 shall not apply to a mortgage, charge or other transaction entered into for the purpose of securing borrowings of the Licensee, being borrowings for the purposes of establishing, operating or maintaining the Licensee's network or providing the carriage services or the provision of anything incidental to the network or the carriage services.
- 5.5 Nothing in this Licence shall relieve the Licensee of any legal requirement to obtain any additional consents, permissions, authorisations or licences that are necessary for the establishment, operation or maintenance of the network, the provision of the carriage services or the exercise of the Licensee's rights or discharge of its obligations under the Licence, including obtaining any licences required under the Communications Ordinance for the use of Radiocommunications.

- 5.6 The Licensee shall ensure that a substantial proportion of the business associated with the establishment, operation and maintenance of the network and the provision of the carriage services shall be conducted from premises in The Falkland Islands.
- 5.7 The Licensee may make payments for the provision of support services in relation to activities carried out pursuant to this Licence from its head office, an affiliated company or parent company which is outside the Falkland Islands provided that those payments are limited to 8% of the net revenue from the Licensee's regulated activities under this Licence within the Falkland Islands.

6 EXCLUSIVITY

Subject to Condition 7, the Licensee shall be granted exclusivity over the services specified below, subject to compliance with the KPIs and with the other terms of this Licence:

- (a) Fixed Services;
- (b) Mobile Services including internet access services; and
- (c) Commercial telephony Satellite services from the Falkland Islands.

7 EXCLUSIONS

The following activities shall be excluded from the scope of the exclusivity granted pursuant to Condition 6:

- (a) Personal use of VSAT equipment;
- (b) Personal Use of SOS equipment;
- (c) Personal Use of Satellite Phones;
- (d) Radio and broadcast services;
- (e) The provision of any services in areas where such services are not provided by the Licensee; and
- (f) Any activity that is exempted from the requirement of a licence under the Communications Ordinance.

8 PAYMENT OF LICENCE FEES

- 8.1 The Licensee shall pay the licence fees notified by Governor from time to time in accordance with the Communications Ordinance.
- 8.2 Without prejudice to Condition 12, in the event of a default by the Licensee in the payment of any fees when due under this Licence:
- 8.2.1 the Licensee shall pay interest under section 77 of the Communications Ordinance; and
 - 8.2.2 the Governor may revoke this Licence under the terms of the Communications Ordinance.

9 KEY PERFORMANCE INDICATORS

- 9.1 The Licensee shall comply with the KPIs set out in this Licence and any KPIs set out in regulations issued by the Regulator.
- 9.2 The Regulator may vary the KPIs from time to time upon written notice to the Licensee.
- 9.3 The Licensee shall provide details of and publish its performance against the KPIs.
- 9.4 In the event that the Licensee breaches the KPIs, the Licensee shall notify the Regulator, such notification shall contain detailed information on the breach, the cause of the breach and an action plan identifying the necessary steps to be taken by the Licensee in order to remedy such breach as soon as reasonably practical.

10 INFORMATION, AUDIT, INSPECTION AND ACCESS

- 10.1 To ensure that the Licensee is complying with the Conditions of this Licence:
 - 10.1.1 the Regulator may require an audit of any aspect of the business of the Licensee and the Licensee shall assist or shall procure assistance to the Regulator as it may reasonably require; and
 - 10.1.2 the Regulator may require the Licensee to provide it with such information, documents, accounts, returns, estimates, reports or other information required by the Regulator including a report on its use of radio frequency spectrum, in the manner and at the times specified by the Regulator. The Regulator may use this information for purposes of compiling statistics and publishing periodical reviews of the communications industry, and as required or permitted by the Communications Ordinance or other laws or legal process.
- 10.2 The Licensee shall notify the Regulator:
 - 10.2.1 of the details of all subsidiary undertakings providing a network or carriage service under this Licence or providing a content service; and
 - 10.2.2 the appointment or resignation of any director or chief executive officer of the Licensee within ten (10) days of such an act or event.
- 10.3 The Licensee shall permit a person authorised by the Regulator to carry out an inspection.
- 10.4 The Licensee shall make an annual presentation by the Chief Executive of Sure in the Falkland Islands to the Government, Member of Legislative Assembly (MLAs) and the general public, explaining the major investments the Licensee made in the previous year and the plans for the forthcoming year.

11 CHANGE IN CONTROL

- 11.1 The Licensee shall obtain the Governor's approval of any Change In Control of the Licensee prior to the change in control occurring in accordance with section 72 of the Communications Ordinance.
- 11.2 Without limiting the Governor's ability and duty to apply the change in control provisions in section 72 of the Communications Ordinance, the Governor may object to a change in control if in the Governor's view the acquirer would not meet any of the criteria set by the Governor pursuant to section 72 of the Communications Ordinance.

12 BREACH OF LICENCE

If the Regulator has reason to believe that the Licensee has failed to comply with any Condition, it may exercise all such powers and duties as are afforded to or required of it under the Communications Ordinance and may take all such action as is permitted to it under those sections against the Licensee.

13 EXCEPTIONS AND LIMITATIONS

The Licensee shall notify the Regulator of any event of force majeure which prevents it from carrying out its obligations under this Licence as soon as reasonably practicable. Those obligations will be suspended for so long as the force majeure event continues provided that the Licensee has taken all reasonable steps as are required under the Conditions, or otherwise possible. The Licensee shall inform the Regulator on a regular basis about measures taken to deal with the force majeure event.

PART B - GENERAL ACCESS AND INTERCONNECTION OBLIGATIONS**14 OBLIGATION TO NEGOTIATE INTERCONNECTION AND ACCESS**

- 14.1 Subject to the Conditions of this Licence, the Communications Ordinance, any regulatory and other measures issued by the Regulator pursuant to the Communications Ordinance and any other relevant legislation, the Licensee is required in good faith to negotiate, conclude and amend agreements with any Crown Operator for national or international interconnection, Access and other related services, including the types and amount of charges.
- 14.2 Subject to any other terms of this Licence and the Communications Ordinance, where the Licensee acquires information from any Crown Operator before, during or after the process of negotiating or arranging national or international interconnection or Access and where such information is acquired in confidence in connection with and solely for the purpose of such negotiations or arrangements, the Licensee shall use that information solely for the purpose for which it was supplied and respect at all times the confidentiality of information transmitted or stored. Such information shall not be passed on to any other person.

15 MUST-CARRY OBLIGATIONS

- 15.1 The Licensee shall, to the extent it is able with its then existing network infrastructure, on a direction of the Regulator made from time to time for the purposes of this Condition 15, broadcast or otherwise transmit any service specified in that direction which is an emergency service broadcasting.
- 15.2 For the avoidance of doubt, the transmission of the emergency service broadcasting referred to in Condition 15.1 shall comply with the KPIs.

PART C - STANDARDS AND TECHNICAL OBLIGATIONS

16 TECHNICAL REGULATIONS

- 16.1 The Licensee shall comply with all directions or regulations issued by the Regulator or the Governor under section 11 of the Communications Ordinance in relation to technical standards for electronic communications systems, electronic communications apparatus, including End-User apparatus at network termination points, and procedures for testing such apparatus.
- 16.2 In accordance with section 11 of the Communications Ordinance, the Licensee shall not use or supply any facilities that do not comply with any technical rules, standards, conditions and approval processes established by the Regulator. The Licensee may request approval or consent from the Regulator for any facilities and the Regulator shall not unreasonably withhold such consent.
- 16.3 Notwithstanding Condition 17, the Licensee shall as soon as reasonably practicable cease to provide any carriage service that uses any apparatus that:
- 16.3.1 has not been approved, licensed or exempted from approval or licensing by the Regulator; or
 - 16.3.2 no longer meets the requirements for approval or licensing by the Regulator, in respect of which the Regulator has issued a notice to that effect to the person who has under his control such apparatus.
- 16.4 The Licensee shall not impose technical or other conditions or employ any arrangements for the provision of its carriage services or for the use of its network or any apparatus in connection with its provision of carriage services or the use of its network other than those set by the Regulator. In particular, the Licensee shall not, except where the Regulator is satisfied that it is reasonable, exercise any Intellectual Property Rights which it owns or is licensed to use in a manner which prevents or inhibits the provision of any Crown Operator's carriage services with its carriage services or national or international interconnection and Access between its network and any other network.
- 16.5 Subject to Condition 19, the Licensee shall not modify or interfere with its network or its operation or monitor communications data transmitted by means of its network, so as to make those communications data available, whilst being transmitted, other than to the sender or intended recipient of the signals, unless with lawful authority.
- 16.6 The Licensee shall take all Appropriate Measures to safeguard the security and integrity of its carriage services, including, where relevant and necessary, in conjunction with its network.
- 16.7 In the absence of specific directions or regulations referred to in this Condition 16, the Licensee shall comply with UK technical regulations to the extent that such regulations are compatible with the Communications Ordinance, this Licence and any directions or regulations issued by the Regulator or the Governor.

17 STANDARDISATION AND SPECIFIED INTERFACES

- 17.1 The Licensee shall comply with any relevant compulsory standards and/or specifications published by the UK and the International Standards Bodies for the

provision of carriage services, technical interfaces and/or network functions in connection with any of its networks or carriage services. Where no compulsory standards or specifications have been so published, the Licensee shall take full account of any relevant voluntary standards, specifications or recommendations so published.

- 17.2 In the absence of such standards, specifications or recommendations referred to in Condition 17.1, the Licensee shall take full account of any other standard specified by the Regulator in a direction under this Condition 17.2 for the purposes of service Interoperability, or international interconnection, provided that the Regulator shall not make such a direction if an appropriate international standard is expected to be promulgated within a reasonable time.
- 17.3 The Regulator may from time to time issue a direction under this Condition 17.3 requiring a specified Network Interconnection Interface to be compliant with a specified standard. Any such direction shall be to ensure End to End Connectivity and Interoperability, and shall only require compliance with a relevant standard in existence as referred to in Condition 17.2.
- 17.4 The Licensee shall not be required to comply with Condition 17.3 above where:
- 17.4.1 any operator seeking international interconnection with the Licensee's network at the relevant Network Interconnection Point does not require it to do so; or
- 17.4.2 to do so would require the Licensee to incur any cost, or resolve any technical difficulty, disproportionate to the benefits to be gained from implementing the specified standard, provided that the Licensee takes reasonable steps to incorporate the specified standard in its plans for network development.

18 CHANGES TO NETWORKS

The Licensee shall give notice in writing to the Regulator and shall notify all Crown Operators who may be affected by any material changes the Licensee intends to implement in the specification or performance of any of its networks which would require changes to any apparatus or networks connected to any of its networks. The period of notice given shall be appropriate to the likely impact on the Crown Operators affected and on connected equipment or systems and shall be decided in consultation with the Regulator.

19 MATTERS OF NATIONAL INTEREST

- 19.1 The Licensee shall:
- 19.1.1 comply with Part 13 of the Communications Ordinance;
- 19.1.2 notify the Regulator if it becomes aware of or reasonably believes that a breach of the Communications Ordinance is being committed by another person;
- 19.1.3 assist officers and authorities of the Government when reasonably required to do so for the purposes of enforcing criminal law, protecting the

interests of the revenue and the interests of the public, and protecting national security;

- 19.1.4 assist and support the Government in relation to the prevention and detection of crime including developing and agreeing a joint plan to address issues of cyber security within 12 months of the Commencement Date of the Licence, or a later date by mutual agreement; and
- 19.1.5 if required by the Government, take reasonable steps to prevent the operation of the network and provision of the network being used in the commission of offences against the laws of the Falkland Islands or in criminal activities.

PART D - CONSUMER PROTECTION OBLIGATIONS**20 REQUIREMENT TO OFFER CONTRACTS WITH MINIMUM TERMS**

- 20.1 The Licensee shall, in offering to provide, or providing, Public Services, ensure that clear and up to date information on its applicable prices and tariffs (which for the avoidance of doubt shall not include bespoke or individual prices and tariffs), and on its standard terms and conditions, in respect of access to and use of Public Services by End-Users, except Public Pay Telephones, are published, in accordance with Conditions 20.2 and 20.4.
- 20.2 The Licensee shall ensure that its standard terms and conditions of any contract between the Licensee and a consumer shall specify the following minimum requirements:
- 20.2.1 the identity and address of the Licensee;
 - 20.2.2 the services provided, details of the service quality levels offered and the time for initial connection;
 - 20.2.3 details of maintenance services offered;
 - 20.2.4 particulars of prices and tariffs, and the means by which up to date information on all applicable tariffs and maintenance charges may be obtained;
 - 20.2.5 the conditions for renewal and termination of services and of the contract;
 - 20.2.6 the duration of the contract, which shall have a fixed term no greater than:
 - (a) six (6) months where the End-Users are staff of the Ministry of Defence resident in the Mount Pleasant complex; or
 - (b) twelve (12) months for other End-Users,
 - 20.2.7 any early termination charges that would be applicable in respect of termination during the fixed term;
 - 20.2.8 the notice period for termination of the contract after the fixed term, which shall be no greater than one (1) month;
 - 20.2.9 any applicable compensation and/or refund arrangements which will apply if contracted service quality levels are not met, and the method of initiating procedures for settlement of disputes in respect of the contract; and
 - 20.2.10 any such other information as may be required by determination of the Regulator pursuant to the Communications Ordinance.
- 20.3 Where the Licensee intends to modify a condition in a contract with a consumer which is likely to be of material detriment to the consumer, the Licensee shall:
- 20.3.1 provide the consumer with at least one month's notice of its intention detailing the proposed modification; and

- 20.3.2 inform the consumer of the ability to terminate the contract without penalty if the proposed modification is not acceptable to the consumer.
- 20.4 Publication of the information shall be effected by:
- 20.4.1 sending a copy of such information or any appropriate parts of it to any Subscriber who may reasonably request such a copy, and placing a copy of such information on any relevant website operated or controlled by the Licensee; or
- 20.4.2 placing a copy of such information in one public area in the office of the Licensee such that it is readily available for inspection free of charge by members of the general public during normal office hours, and if requested by the Regulator, provide a copy of such information for announcement on the radio.

21 EARLY TERMINATION CHARGES

The Licensee may only impose early termination charges (“**ETC**”) that: (a) are transparent at the point of sale with sufficient prominence that the consumer is fully aware of the consequences of terminating early, and what the level of the ETC would be (or, at the very least, the method by which this would be calculated, e.g. the amount that would be charged for each outstanding month); (b) take account of any costs associated with the provision of the service which will no longer be incurred; (c) are never greater than the amount of the (usually monthly) contractual retail payments remaining due at the date of termination; and (d) reflect any ability of the Licensee to reduce (mitigate) its loss.

22 REQUIREMENT FOR POWER

Where reasonable, the Licensee may make the provision of any service under this Licence conditional on the Subscriber having electricity available, in such form and to such specifications as the Licensee may reasonably specify.

23 METERING AND BILLING

- 23.1 The Licensee shall not render any bill to a Subscriber in respect of the provision of any Public Services unless every amount stated in that bill represents and does not exceed the true extent of any such service actually provided to the Subscriber or the End-Users.
- 23.2 The Licensee shall retain such Records as may be necessary, or as the Regulator may from time to time direct are necessary, for the purpose of establishing its compliance with Condition 23.1 above.
- 23.3 Subject to the following, the Regulator may from time to time direct the minimum period for retention of necessary Records by the Licensee. This Condition 23.3 (and any direction of the Regulator made under it) shall not require the Licensee to retain any Records for the purposes of this Condition for more than five (5) years from the date on which they were created.

24 ITEMISED BILLS

- 24.1 The Licensee shall provide to each of its Subscribers, on request, and either at no extra charge or for a reasonable fee, a basic level of itemised billing including all international calls, data usage, roaming fees, basic fixed charges, and any overage charges. The Licensee shall ensure that each itemised bill shows a sufficient level of detail to allow the Subscriber to:
- 24.1.1 verify and control the charges incurred by the Subscriber in using any Public Service; and
 - 24.1.2 adequately monitor the Subscriber's usage and expenditure and thereby exercise a reasonable degree of control over his or her bills.
- 24.2 The Licensee shall comply with all proper and lawful determinations of the Regulator related to consumer protection, including in respect of price transparency, provision of timely information on incurred charges, and bill shock protection.
- 24.3 The Regulator may from time to time determine to amend the minimum level of itemisation to be provided by the Licensee under Condition 24.1.
- 24.4 To the extent that it is technically feasible, the Licensee shall ensure that calls which are made from a Subscriber's telephone which are free of charge in accordance with the numbering plan, including calls to Helplines and Emergency Call Numbers, shall not be identified in the Subscriber's itemised bill.
- 24.5 The Licensee shall not be subject to Condition 24.1 in respect of any Subscriber where:
- 24.5.1 it provides Public Services to the Subscriber on a pre-paid basis; and
 - 24.5.2 the Subscriber has an alternative means, free of charge, of adequately monitoring the Subscriber's usage and expenditure.

25 NON-PAYMENT OF BILLS

- 25.1 Where the Licensee's Subscriber has not paid the Licensee all or part of a bill for carriage services provided by the Licensee, any measures taken by the Licensee to effect payment or disconnection shall:
- 25.1.1 be reasonable, proportionate and not unduly discriminatory; and
 - 25.1.2 give due warning to the Subscriber beforehand of any consequent service interruption or disconnection; and except in cases of fraud, persistent late payment or non-payment, confine any service interruption to the carriage service concerned, as far as technically feasible.
- 25.2 The Licensee shall publish details of generic measures it may take against Subscribers generally to effect payment or disconnection in accordance with Condition 25.1 above by:
- 25.2.1 sending a copy of such information or any appropriate parts of it to any Subscriber who may request such a copy; and

- 25.2.2 placing a copy of such information on any relevant website operated or controlled by the Licensee.

26 QUALITY OF SERVICE

- 26.1 The Licensee shall, on the direction of the Regulator, publish comparable, adequate and up to date information for End-Users on the quality of its carriage services.
- 26.2 Subject to Condition 26.3, where the Regulator makes a direction under Condition 26.1 it may amongst other things direct:
 - 26.2.1 the quality of service parameters to be measured;
 - 26.2.2 the consequences of non-compliance with the quality of service parameters;
 - 26.2.3 the content and form of the information to be published, and how the comparability of the information is to be validated. For the purposes of validation, the Regulator may require independent audit of the specified information;
 - 26.2.4 the manner of publication of the information; and
 - 26.2.5 the timing of publication of the information; and/or that the Licensee shall provide the Regulator with a copy of the information to be published well in advance of the publication as agreed by the Regulator.
- 26.3 The Regulator shall only make such a direction where the Licensee has been providing the Public Services in question for at least six (6) months prior to the direction being made.

27 FAIR DEALING

- 27.1 The Licensee must only charge a Subscriber for the specific carriage services or apparatus that the Subscriber has ordered, and a user shall have no liability to pay for any carriage service or apparatus that it has not ordered.
- 27.2 In the case of Subscribers who have contracted for carriage services for which they will pay after usage, the Licensee must provide such Subscriber with invoices:
 - 27.2.1 in writing, which may be transmitted electronically if the Subscriber consents;
 - 27.2.2 on a regular basis;
 - 27.2.3 in a plain and simple format;
 - 27.2.4 that provide accurate information about the carriage services provided and the amounts due for each carriage service; and
 - 27.2.5 that clearly indicate the method of calculation of prices for any carriage service for which invoices are based on the duration of calls or other measure of usage.

- 27.3 In the case of Subscribers who have purchased carriage services for which they have paid prior to the provision of such carriage services, the Licensee must permit such Subscriber on request to review his expenditures. The Licensee may charge the Subscriber a reasonable fee for the provision of the requested information.

28 CONFIDENTIALITY OF SUBSCRIBER'S INFORMATION

- 28.1 Subject to Conditions 28.2 and 28.3, any other provision of this Licence or any provision of the Communications Ordinance or another relevant legislation, the Licensee:
- 28.1.1 must not without lawful authority or a Subscriber's consent collect, use, maintain or disclose information about a Subscriber for any purpose; and
 - 28.1.2 must apply appropriate security safeguards to prevent the collection, use, maintenance or disclosure of such information.
- 28.2 The Licensee may disclose a Subscriber's name, address and listed telephone number in a printed or electronic telephone Directory except where a Subscriber specifically requests that his or her details should be excluded from the Directory.
- 28.3 The Licensee may be required by the Regulator (by determination under the Communications Ordinance) to retain or to be prohibited from retaining specified information relating to Subscribers, including information about billing, beyond a specified period, subject to the Communications Ordinance, and to the extent it is technically feasible.
- 28.4 The Licensee shall obtain the approval of the Regulator or the Governor, prior to transferring Subscribers' data outside the Falkland Islands.
- 28.5 The Licensee must ensure that information it discloses or retains concerning a Subscriber is accurate and complete for its intended use.
- 28.6 The Licensee must permit a Subscriber to inspect its records regarding a carriage service provided to that Subscriber for the purposes of checking the accuracy of that Subscriber's personal details (including name, address and bank details) and to require correction or removal of any such information that is shown to be incorrect. The Licensee will be entitled to request the Subscriber to provide proof of identity before allowing such an inspection.
- 28.7 The Licensee must disclose to Subscribers the purpose of requesting or collecting any information about the Subscriber and must not use or maintain information about the Subscriber for undisclosed purposes, except as provided for in the Communications Ordinance.

29 CONFIDENTIALITY OF COMMUNICATIONS

- 29.1 The Licensee must take all reasonable steps to ensure the confidentiality of its End-Users' communications.
- 29.2 The Licensee must not intercept, monitor, alter or modify the content of a message unless required to do so by or pursuant to the Communications Ordinance or any other relevant legislation, or other lawful authority.

30 CODES OF PRACTICE AND DISPUTE RESOLUTION

30.1 This Condition 30 shall apply where the Licensee provides Public Services to Subscribers.

30.2 Codes of Practice for Complaints

30.2.1 Within three (3) months of the date of a determination, the Licensee shall establish and thereafter maintain procedures that conform with any applicable Code of Practice for Complaints for the handling of complaints made by its Subscribers in relation to the provision of Public Services.

30.2.2 In the event that a complaint is made against the Licensee by its Subscribers which has not been treated in accordance with the procedure established pursuant to Condition 30.2.1, the Regulator may, by determination under the Communications Ordinance:

- (a) require the Licensee to comply with Condition 30.2.1; or
- (b) address the complaint and provide for a remedy.

30.3 The Licensee may be required, by determination of the Regulator under the Communications Ordinance, to:

30.3.1 report to the Regulator the types and volumes of complaints, application of procedures and manner of their resolution; and

30.3.2 take such other measures as the Regulator considers appropriate to ensure that complaints of users are satisfactorily addressed.

30.4 Dispute Resolution

Within three (3) months of the Communications Ordinance entering into force, the Licensee shall implement and comply with the alternative dispute resolution procedures set out in section 19 of the Communications Ordinance.

30.5 Code on the provision by carriage service Providers of consumer protection information for the provision of carriage services

Within three (3) months of the Commencement Date, the Licensee shall comply with the requirements set out in any code or guidelines set out in any determination for the purposes of this Condition 30.5.

30.6 All codes of practice referred to in this Condition 30 shall be drafted in plain English which is easy to understand, and copies of the codes of practice shall be provided on request and free of charge to any Subscribers and be prominently available on the Licensee's public website.

PART E - PUBLIC TELEPHONE SERVICE OBLIGATIONS

The following Conditions in Part E of this Licence, being Conditions 31 to 33, apply only where the Licensee establishes, maintains and operates a Public Telephone Network or provides public telephone services in the Falkland Islands, as applicable.

31 PROPER AND EFFECTIVE PROVISION OF PUBLIC TELEPHONE NETWORKS AND SERVICES

31.1 Continuity of Public Telephone Networks and carriage services

31.1.1 The Licensee shall take all reasonably practicable steps to maintain, to the greatest extent possible the proper and effective functioning of any Public Telephone Network provided by it at all times.

31.1.2 The Licensee shall ensure that any restrictions imposed by it on access to and use of a Public Telephone Network provided by it on the grounds of ensuring compliance with Condition 31.1.1 are proportionate, non-discriminatory and based on objective criteria identified in advance.

31.1.3 The Licensee shall take all reasonably practicable steps to maintain, to the greatest extent possible in the event of catastrophic network breakdown or in cases of force majeure, the availability of the public telephone services provided by it, including uninterrupted access to Emergency Organisations as part of any public telephone services offered by it.

31.2 Emergency Call

31.2.1 The Licensee shall ensure that its Public Telephone Network is capable of providing any person with access to Emergency Organisations by using the Emergency Call Numbers at no charge and, in the case of a Pay Telephone, without having to use coins or cards.

31.2.2 The Licensee shall ensure that any End-User can access Emergency Organisations via a public emergency call service, being an electronic communications service that enables an End-User, at any time and without incurring any charge or requiring any token, to communicate with the police, the ambulance or fire services or the maritime search and rescue services and to notify them of an emergency.

31.2.3 The Licensee shall, to the extent technically feasible, make Caller Location Information for all calls to the Emergency Call Numbers available to the Emergency Organisations handling those calls.

31.3 Helplines

31.3.1 The Licensee shall ensure that its Public Telephone Network is capable of providing any person with access to Helplines at no charge and, in the case of a Pay Telephone, where technically possible without having to use coins or cards.

31.3.2 Where any Helpline is situated outside of the Falkland Islands, the Licensee shall be entitled to be compensated for: (1) the cost of terminating the call to the Helpline; and (2) the third party costs incurred in

enabling access to additional Helplines that were not available prior to the Commencement Date. Such compensation shall be determined by the parties in advance of an order being made and shall be payable by the Government.

31.4 Emergency Planning

31.4.1 Subject to Condition 31.4.3, the Licensee shall, on the request of and in consultation with the Government, make arrangements for the provision or rapid restoration of such networks and carriage services as are practicable and may reasonably be required in Disasters.

31.4.2 Subject to Condition 31.4.3, the Licensee shall, on request by any person as is designated for the purpose in any such arrangements, implement those arrangements in so far as is reasonable and practicable to do so.

31.4.3 Nothing in this Condition 31.4 precludes the Licensee from:

- (a) recovering the reasonable and efficient costs incurred in making or implementing any such arrangements; or
- (b) making the implementation of any such arrangements conditional upon being indemnified by the person for whom the arrangements are to be implemented for all reasonable and efficient costs incurred as a consequence of the implementation.

31.5 Public Pay Telephones and Public Wireless Access Point

31.5.1 The Licensee shall install, maintain and promptly repair the Public Pay Telephones specified in Schedule 2.

31.5.2 The Licensee shall ensure that every Public Pay Telephone that is permanently installed on public land and to which the public has access at all times can access a Directory Enquiry Facility, except where such services or facilities have been rendered inaccessible by the Licensee for the purposes of debt management.

31.5.3 The Licensee shall display and take all reasonable steps to keep displayed prominently on or around each of its Public Pay Telephones a notice specifying:

- (a) the minimum charge for connection;
- (b) call charge information;
- (c) methods of payment;
- (d) a statement as to whether incoming calls can be received, and if so, the telephone number of the Public Pay Telephone;
- (e) contact information in the event of services complaints;
- (f) the location of the Public Pay Telephone sufficient to enable it to be located as swiftly as possible by the Emergency Organisations; and

- (g) that calls to Emergency Organisations using the Emergency Call Numbers may be made from the Public Pay Telephone free of charge and without having to use coins or cards.

31.5.4 In a manner agreed with the Regulator, the Licensee shall ensure that adequate provision is made for people with disabilities including visitors (which may include at least one Public Pay Telephone is equipped for use by people with hearing, sight or other disabilities) unless otherwise approved by the Regulator.

31.5.5 The Licensee shall install, maintain and promptly repair Public Wireless Access Points in the locations specified in Schedule 2.

31.6 Directories and Directory Enquiry Facilities

31.6.1 The Licensee shall ensure that its Public Telephone Network is capable of providing:

- (a) any Public Pay Telephone that is permanently installed on public land and to which the public has access at all times; and
- (b) any End-User,

with access to a Directory Enquiry Facility containing Directory Information on all Subscribers in the Falkland Islands who have been assigned telephone numbers by the Licensee and any Crown Operator, except (a) those Subscribers who have exercised their right to have their Directory Information removed, and (b) where such services or facilities have been rendered inaccessible to a particular End-User by the Licensee at the End-User's request or for the purposes of debt management.

31.6.2 Where the Licensee assigns telephone numbers to Subscribers, it shall ensure that each of those Subscribers is, on request, supplied with a Directory containing Directory Information on all Subscribers who have been assigned telephone numbers in the Falkland Islands. Any directories supplied shall not contain Directory Information for those Subscribers who have exercised their right to have their Directory Information removed.

31.6.3 A Directory shall be produced by the Licensee, or by another person. Where a Directory is produced by the Licensee, the Licensee shall ensure that the Directory is updated on a regular basis (at least once a year). The Regulator may from time to time direct that a Directory is available in a particular form.

31.6.4 Unless the Regulator determines otherwise, on an annual basis the Licensee will distribute a printed hard copy of the Directory to each land line Subscriber free of charge.

31.6.5 Subject to the price controls, Condition 31.6.4 above, and upon approval by the Regulator, the Licensee may charge its Subscribers or End-Users a reasonable fee for making available a Directory Enquiry Facility, local Directory and any additional directories, and may charge its Subscribers a

reasonable fee for inclusion of Directory Information in a Directory or as part of a Directory Enquiry Facility.

32 PROVISION OF DIRECTORY INFORMATION

32.1 Where the Licensee has been Allocated telephone numbers in accordance with Condition 33, it shall meet all reasonable requests from any person to make available the Directory Information of:

32.1.1 its Subscribers who have been assigned those telephone numbers; and

32.1.2 any other End-User assigned a telephone number originally Allocated to the Licensee,

for the purposes of the provision of directories and Directory Enquiry Facilities.

32.2 Where the Licensee has been authorised (either directly or indirectly) to use telephone numbers Allocated to another person, it shall on request supply to:

32.2.1 the person who was originally Allocated such telephone numbers; or

32.2.2 if different from the above, the person who authorised the use of such telephone numbers by it,

the Directory Information of the Licensee's Subscribers and of any other End-User assigned a telephone number from such telephone numbers.

32.3 Where the Licensee is requested to supply Directory Information in accordance with Conditions 32.1 or 32.2, it shall do so on terms which are fair, cost-oriented and non-discriminatory, and in a format which is agreed between the Licensee and the person requesting the information. The Licensee shall comply with any direction made by the Regulator from time to time with respect to the format to be applied to the information.

33 ALLOCATION, ADOPTION AND USE OF TELEPHONE NUMBERS

33.1 General Prohibitions on Adoption and Use

33.1.1 A Licensee shall not Adopt telephone numbers from the numbering plan unless:

(a) the telephone numbers have been Allocated to the Licensee; or

(b) the Licensee has been authorised (either directly or indirectly) to Adopt those telephone numbers by the person Allocated those telephone numbers.

33.1.2 The Licensee may only use a telephone number from the numbering plan where that telephone number has been Allocated to a person, unless the use in question is for the purposes of indicating that the telephone number has not been Allocated.

33.2 Requirements in Connection with the Adoption of Telephone Numbers

- 33.2.1 The Licensee shall have a plan for such telephone numbers as the Regulator may Allocate to it from time to time. Except where the Regulator otherwise consents in writing, such plan shall be consistent with the numbering plan. When applying for telephone numbers, the Licensee shall provide such details of such plan to the Regulator as are relevant to the application.
- 33.2.2 The Licensee shall install, maintain and adjust its network so that it routes signals and otherwise operates in accordance with the numbering plan and any Allocation of telephone numbers made by the Regulator from time to time.
- 33.2.3 Where telephone numbers have been Allocated to the Licensee, the Licensee shall secure that such telephone numbers are Adopted or otherwise used effectively and efficiently.
- 33.2.4 The Licensee shall take all reasonably practicable steps to secure that its Subscribers, in using telephone numbers, comply with the provisions of this Condition, where applicable, and the provisions of the numbering plan.

33.3 Application for Allocation or Reservation of Telephone Numbers

When applying for an Allocation or reservation of telephone numbers, the Licensee shall:

- 33.3.1 use an appropriate application form as directed by the Regulator from time to time as it thinks fit;
- 33.3.2 provide such information as required by the Regulator on the application form; and
- 33.3.3 provide to the Regulator, on request, any other information considered by the Regulator to be relevant to the application, and the supply of which does not place an undue burden on the Licensee.

33.4 Withdrawal of a Number Allocation

Where the Licensee has not Adopted any telephone numbers:

- 33.4.1 within six (6) months, or such other period as the Regulator may from time to time direct, from the date on which the telephone numbers were Allocated, or in relation to an Allocation of a series of telephone numbers;
- 33.4.2 to any significant extent within six (6) months, or such other period as the Regulator may from time to time direct, from the date on which the series of telephone numbers was Allocated; or
- 33.4.3 procured that the telephone numbers are effectively and efficiently used in accordance with Condition 33.2.3, as determined by the Regulator,

The Regulator may withdraw an Allocation of the relevant telephone numbers from the Licensee.

PART F – PUBLIC NETWORK OR SERVICE OBLIGATIONS

34 UNIVERSAL SERVICE OBLIGATIONS

- 34.1 The Licensee is hereby designated as a universal services provider pursuant to section 64 of the Communications Ordinance, and the Licensee shall comply with any directions of the Regulator concerning the universal services that the Licensee must provide pursuant to section 64 of the Communications Ordinance, and this Licence shall be modified accordingly pursuant to section 64 of the Communications Ordinance.
- 34.2 The Licensee shall provide fixed line telephony services and fixed line internet access services to: (1) 100% of houses in which a person lives for at least 6 months of the year; and (2) 100% of business premises where a business operates from those premises for at least 6 months of the year.
- 34.3 The Licensee shall continue to provide cellular services including the delivery of a new 2G/4G network commencing in 2017 and in accordance with the KPIs.
- 34.4 Unless the Regulator or the Governor consents otherwise, the Licensee shall provide the Public Services referred to in Conditions 34.1, 34.2, and 34.3 on the basis of uniform prices throughout the Falkland Islands.

PART G – EXCLUSIVE LICENSEE OBLIGATIONS

35 The Licensee is hereby designated as an exclusive licensee, and shall accordingly comply with any such obligations of an exclusive licensee as set out in the Communications Ordinance or any other obligations as the Regulator may set out in any determination.

36 NON-DISCRIMINATION

36.1 The Licensee shall not unduly discriminate against particular persons or a particular description of persons in relation to carriage services offered by it.

36.2 Nothing done in any manner by the Licensee shall be regarded as undue discrimination under this Condition if and to the extent that the Licensee is required or expressly permitted to do such thing in that manner by or under any Condition set out in this Licence.

37 REQUIREMENT TO PUBLISH CHARGES AND TERMS AND CONDITIONS

37.1 The Licensee shall publish terms and conditions and charges (including bundled charges) for all carriage services provided by the Licensee in the Falkland Islands.

37.2 The Licensee shall publish any amendments to the terms and conditions and charges published under Condition 37.1 for any new services within 24 hours of the time that the amendment comes into effect.

37.3 Publication referred to in Condition 37.1 shall be effected by placing a copy of the information on any relevant website operated or controlled by the Licensee.

37.4 The Licensee shall send to the Regulator a written notice of any amendment to the terms and conditions and charges published under Condition 37.2 (including charges and terms and conditions for any new services) within 24 hours of the time that the amendment comes into effect and shall send a copy of the notice to any person who may reasonably request such a copy.

37.5 Where it would be impractical for the Licensee to publish under this Condition any charge or amended charge, the Licensee shall instead publish the method to be adopted for determining that charge or amended charge.

37.6 The Licensee shall provide carriage services in accordance with terms and conditions and charges published under this Condition, and shall not depart from those charges or terms and conditions either directly or indirectly.

38 PRICE CONTROLS

38.1 The Licensee shall be subject to the price controls set out in Schedule 3 and as subsequently amended in accordance with Condition 38.3. The price controls shall be calculated on the basis that they are deemed to have had effect from 1st January 2016.

38.2 In the event that the Licensee provides services outside of the Universal Service Obligations then the Licensee shall be entitled to charge a reasonable additional installation fee in respect of the cost of establishing the service.

38.3 The Regulator shall determine the replacement price controls to take effect from the end of the then current price control period in accordance with the principles set out in section 63(5), (7) and (8) of the Communications Ordinance. Before the Regulator makes a determination to impose new price controls, the Regulator shall:

- (a) consult with the Licensee;
- (b) provide a reasonable period of time within which the Licensee may make representations; and
- (c) have regard to the representations made by the Licensee within that period before making its determination.

38.4 The Licensee may appeal the Regulator's determination in accordance with the Communications Ordinance.

39 INFRASTRUCTURE SHARING AND DEPLOYMENT

39.1 The Licensee shall comply with any directions by the Governor under the Communications Ordinance concerning sharing of physical infrastructure.

39.2 Where the Governor considers it necessary for the Licensee to share Infrastructure with Crown Operators in designated areas in the national and/or public interest or otherwise, the Governor shall inform the Licensee accordingly so that the Licensee can make the necessary arrangements before submitting its Infrastructure sharing plans to the Governor for approval. The Licensee shall share Infrastructure whenever and wherever mandated by the Governor in accordance with the Governor directions. The Licensee shall be entitled to recover any costs incurred due to the sharing of physical infrastructure.

40 ACCOUNTING INFORMATION

40.1 The Licensee shall provide on an annual basis the following in respect of the licensed activities:

- 40.1.1 a profit and loss statement;
- 40.1.2 a revenue breakdown for principal lines of business (including for domestic services, line access, fixed international, mobile, broadband, enterprise data and other matters);
- 40.1.3 a balance sheet showing the book value of capital assets used in the delivery of the licensed activities and the level of depreciation applied; and
- 40.1.4 such other information as determined by the Regulator.

40.2 The Licensee shall comply with the instructions of the Regulator in relation to the preparation and delivery of accounting statements.

41 MOBILE NETWORK ROLL OUT - ADDITIONAL SITES

41.1 In addition to the mobile sites specified elsewhere in this Licence, the Licensee will extend its mobile network in the Falklands to four additional 2G mobile sites at the following locations (the "Additional Sites"):

- 41.1.1 Drone Hill –Lafonia, East Falkland;
 - 41.1.2 Green Hill –the Port Howard area, West Falkland;
 - 41.1.3 Leicester Hill –the Fox Bay area, West Falkland; and
 - 41.1.4 Inlet Hill –the Chartres area, West Falkland.
- 41.2 It is intended that the Additional Sites will be operational by the Licensee by 1 January 2020 and the Licensee will make reasonable efforts to complete the roll out of the Additional Sites earlier, provided that the coverage achieved by the Additional Sites shall not be subject to KPI measures or penalties under this Licence.

42 NOTICES

- 42.1 Notices to the Licensee under the Conditions shall be in writing, and addressed to the Licensee at the address shown at the front of this Licence or any other relevant address as known to the Regulator and sent by prepaid post or hand delivered, or sent by facsimile if the parties agree beforehand that they will use facsimile for transmission of specific notices.
- 42.2 Notices to the Regulator under the Conditions shall be in writing, and addressed to the business address of the Regulator for the time being and sent by prepaid post or hand delivered, or sent by facsimile if the parties agree beforehand that they will use facsimile for transmission of specific notices.

SCHEDULE 1

KPIs

The following key performance indicators (KPIs) are considered by FIG to be requirements for compliance with this licence. This schedule contains three sets of KPIs as follows:

Set 1: Milestone implementation KPIs

Sure is expected to submit compliance statements to the Regulator as they implement milestones. The Regulator may ask for evidence of compliance which will vary dependent on the nature of the KPI and may also seek third party advice to help make compliance determinations.

Set 2: Code of Practice Compliance

Monitoring compliance of Set 2 KPIs will be achieved by reviewing customer feedback which may come in the form of customer complaints (as a result of following the Code of Practice complaints procedure) or through the customer satisfaction surveys.

Set 3: Customer Satisfaction Surveys

Whilst Sure will not be bound by the results of the survey they will be expected to submit comment against the results, especially where results are considered to be poor. The survey results and Sure's comments will inform discussion between FIG and Sure.

KPI Measurement

Sure will provide evidence to the Regulator to demonstrate (to the Regulator's satisfaction) that the relevant facility, functionality or increase has been implemented. The Regulator may also undertake telephone or other surveys of a selection of customers to determine the impact of the relevant change from a customer perspective and/or to verify the information provided to the Regulator by Sure.

Set 1: Milestone Implementation KPIs			
KPI #	KPI Description	Implementation Date/s	Comments
1	Broadband data allowance to increase across all packages in accordance with Table 1 of the Price Cap Regime & Implementation document.	June 2016	NA/Completed
2	Satellite capacity to increase in accordance with Table 2 of the Price Cap Regime & Implementation document.	June 2016	NA/Completed
3	Consumer line speeds to increase alongside satellite capacity increases in accordance with Table 3 of the Price Cap Regime document.	June 2016	NA/Completed
4	Broadband overage charges to be decreased to become less onerous to customers subscribed to smaller packages. The following prices for overage charges will be applied: Starter: 7p per MB Lite: 7p per MB Bronze: 7p per MB Silver: 7p per MB Gold: 6p per MB Platinum: 5p per MB	May 2016	NA/Completed
5	Sure will introduce an 'opt-in' facility via the web portal which will force broadband customers to make a conscious decision to exceed their subscribed data allowance.	6 months from date licence commencement	
6	Sure must subscribe to, and continue to subscribe to, the Internet Watch Foundation which will provide a level of protection for Falkland Islands broadband customers by blocking sites that contain criminal online content relating to child sexual abuse or criminally-obscene adult content.	December 2016	
7	Broadband data allowance to increase across all packages in accordance with Table 1 of the Price Cap Regime & Implementation document.	January 2017	

KPI #	KPI Description	Implementation Date/s	Comments
8	Satellite capacity to increase in accordance with Table 2 of the Price Cap Regime & Implementation document.	On or before licence Commencement date	Sure will demonstrate to Regulator's satisfaction (for example through sight of the relevant commercial arrangement).
9	Consumer line speeds to increase alongside satellite capacity increases in accordance with Table 3 of the Price Cap Regime & Implementation document.	On or before licence Commencement date	
10	Sure will submit a Compliance Statement indicating their compliance in accordance with the Price Cap Regime & Implementation for Regulated Telecommunications Services provided by Sure in the Falkland Islands, version 1.0.	1 July 2017	Regulator will interrogate compliance statement and Sure will provide supporting data that is reasonably requested.
11	Sure will implement a facility for customers which will allow them to purchase a 'data boosters' (an amount of data supplementary to their broadband package) of 1GB, 3GB or 5GB charged at not more than £15.00 per GB.	Within 6 months of the licence Commencement date	
12	Sure will submit a Compliance Statement indicating their compliance in accordance with the Price Cap Regime & Implementation for Regulated Telecommunications Services provided by Sure in the Falkland Islands, version 1.0.	1 April 2018	Regulator will interrogate compliance statement and Sure will provide supporting data that is reasonably requested.
13	Sure will introduce a 4G network substantially covering Stanley, Mount Pleasant, Goose Green, Fox Bay and Port Howard. Sure will produce a detailed coverage map for each of the above areas together with guidance for residents highlighting coverage in each location and advice of achieving reception (the 'Local Map'). Within 3 months of the roll-out, Sure will provide the Regulator with a copy of each Local Map and the Regulator will publish them on their website.	Within 18 months of the licence Commencement Date	Delivery of satisfactory Local Maps by the due date
14	Sure will extend the existing 2G network to substantially cover the following areas: surrounding North Arm, Bombilla Hill, Channel Hill and Byron Heights. Sure will produce a detailed coverage map for each of the above areas together with guidance for residents highlighting coverage in each location and advice of achieving reception (the 'Local Map'). Within 3 months of the roll-out, Sure will provide the Regulator	Within 18 months of the licence Commencement Date	Delivery of satisfactory Local Maps by the due date

	with a copy of each Local Map and the Regulator will publish them on their website		
KPI #	KPI Description	Implementation Date/s	Comments
15	Having completed the roll-outs as described in KPIs 13 and 14, the overall mobile coverage (by either 2G or 4G services) will be not less than 85% of the Camp Population (currently 300 people) and 98% of the total Falkland Islands population (see page 32 of Sure's Response to the Falkland Islands Government, May 2015).	Within three months of completion of KPI 13 and 14 (21 months of the licence Commencement Date)	
16	Broadband data allowance to increase across all packages in accordance with Table 1 of the Price Cap Regime & Implementation document.	July 2018	
17	Satellite capacity to increase in accordance with Table 2 of the Price Cap Regime & Implementation document.	July 2018	Sure will demonstrate to Regulator's satisfaction (for example through sight of the relevant commercial arrangement).
18	Consumer line speeds to increase alongside satellite capacity increases in accordance with Table 3 of the Price Cap Regime & Implementation document.	July 2018	
19	Sure will submit a Compliance Statement indicating their compliance in accordance with the Price Cap Regime & Implementation document and The Licence.	April 2019	Regulator will interrogate compliance statement and Sure will provide supporting data that is reasonably requested.
20	Broadband data allowance, satellite capacity and line speeds to increase across all packages in accordance with Tables 1, 2 and 3 of the Price Cap Regime & Implementation document.	July 2019	
21	Broadband data allowance, satellite capacity and line speeds to increase across all packages in accordance with Tables 1, 2 and 3 of the Price Cap Regime & Implementation document.	July 2020	

Set 2: Code of Practice Compliance		
#	KPI Description	Comments
22	Sure will adhere to its Code of Practice which sets out the services and service standards it provides.	Monitoring compliance through customer feedback which may come in the form of customer complaints (as a result of following the Code of Practice complaints procedure) or through the customer satisfaction surveys.
23	A copy of Sure's Code of Practice as at (June 2016) can be found in Appendix A at the end of this schedule ('the Base Code'). Throughout the Licence Period the code of practice must not downgrade Sure's levels of customer service (including response times) below those set out in the Base Code.	Monitoring changes to the Code of Practice.

Set 3: Customer Satisfaction Results		
#	KPI Description	Comments
24	<p>Sure will submit comments against the results of the annual customer satisfaction survey within 30 days of the results being sent to Sure by the Regulator.</p> <p>Where the survey results indicate a 'poor' performance feedback, or a material (more than 5%) reduction in customer satisfaction in any one indicator since the last Survey, Sure will also submit to the Regulator a response detailing any necessary remedial actions in relation to each such area or any area in relation to which Sure has received a complaint which has been upheld by the Regulator during the period of the Survey.</p> <p>The questions for the annual customer satisfaction survey will remain substantially consistent so that trends can be identified in the results (but minor change to some questions may be made with the agreement of the Regulator).</p> <p>The following themes for customer satisfaction will remain consistent in the questionnaire:</p> <p>Quality and value for money of: the Sure landline telephone service; mobile telephone service and broadband internet service; Sure Customer Service; Sure's billing (including questions about overage charges and 'bill shock'); The availability of Sure wifi hotspots; The availability of public telephone boxes.</p> <p>Each set of survey results, Sure's comments and any applicable action plans will be published on the Regulator's webpages</p>	<p>The Regulator will conduct a customer satisfaction survey every 12 months. Before the commencement (or as soon as possible after the licence Commencement Date). The Regulator will seek comments from resident customers as well as short term users – such as visitors or those working on very short term contracts.</p>

Appendix A to Schedule 1

Sure's Code of Practice as of June 2016.



Code of Practice

Table of Contents

1.	Introduction	3
2.	Our Customer Charter	3
3.	How to contact Sure	4
4.	Services from Sure	5
4.1.	Telephone Service	5
4.1.1.	How to order our phone service	5
4.1.2.	New Customers	5
4.1.3.	How long will it take to install?	5
4.1.4.	Moving or cancelling your service	6
4.1.5.	Extra sockets.....	6
4.1.6.	Malicious calls	6
4.2.	Broadband Service	6
4.2.1.	How to get connected	7
4.2.2.	How to upgrade or downgrade your package.....	7
4.2.3.	How to terminate your service.....	7
4.3.	Wi-fi service.....	7
4.4.	Other internet services	7
4.5.	Payphones.....	7
4.6.	Directory services.....	8
4.7.	Mobile services	8
4.7.1.	How to set up a mobile service	8
4.7.2.	Lost or stolen phone.....	8
4.8.	Sure Business	9
5.	Bills and payment.....	9
5.1.	Payment difficulties.....	10
5.2.	Unpaid bills.....	10
6.	Repair and maintenance.....	10
6.1.	How to log a fault.....	11
7.	Communicating with you	11
8.	Checking our performance and quality.....	11
8.1.	Customer satisfaction surveys	11

8.2.	Faulty equipment and accessories	11
9.	Prices.....	12
10.	Customer Service guarantee.....	12
10.1.	Dealing with complaints	15
10.2.	If you are still not happy	15
11.	Confidentiality of customer information	16
12.	Environmental policy	16
13.	Renewing/updating our codes of practice.....	16

1. Introduction

The aim of our Code of Practice is to list the best ways to contact us, give you a clear guide to our services and service standards and in the event that something goes wrong, our procedure for complaint handling and dispute resolution.

If you'd like to obtain quick and easy information, report a fault or find out more about our services please visit our website www.sure.co.fk.

In 2013, Sure became a member of the Batelco Group, a leading telecommunications provider to 16 markets spanning the Middle East & Northern Africa, the South Atlantic and Indian Ocean. Sure provides national, international and mobile telephone service (mobile service coverage is limited to Stanley, Mount Pleasant Complex and some parts of Camp) and broadband service.

High quality satellite links provide clear and fast connection with the rest of the World. Roaming facilities are also available on a number of mobile networks, which enables calls and text messaging between agreed networks across the world.

2. Our Customer Charter

- When you call us we will let you know who you are speaking to.
- All customers will be dealt with in a polite, friendly, professional and helpful manner.
- All of our staff will be easily recognisable wearing corporate uniform and for those working in our shop they will also wear a name badge.
- If you write to us we will aim to provide an initial response to your enquiry within 2 working days and a full response to your enquiry within 10 working days.
- We will seek the views of our customers through weekly customer satisfaction surveys.
- We will listen to our customers and act on their feedback.
- We will measure our success against customer expectations through simple benchmarked measures of performance shown in Our Customer Service Guarantee.
- Our shop will be tidy, clean and welcoming.
- All goods on display in our stores will be clearly labelled and priced.
- We will explain in full our services and promotions, ensuring that our pricing and charges are clear and simple to understand.
- We will always respect confidentiality.
- We are determined and passionate about delivering the very best for our customers.

3. How to contact Sure

If you need advice, information or help with any of our services we will be happy to answer your questions, simply call freephone 131. Alternatively you can contact us using one of the following options:

All sales, general enquiries & customer service:

Tel: +500 20800

Fax: +500 20811

freephone 131

Fault reporting (24 / 7):

Tel: +500 20855

freephone 121

You can also write to us at:

Sure

P.O. Box 584

Stanley

Falkland Islands

FIQQ 1ZZ

E-mail:

info@sure.co.fk

You can visit our stores:

Sure Offices

Ross Road

Stanley

Falkland Islands

FIQQ 1ZZ

FIC shopping Complex

Mount Pleasant

Falkland Islands

FIQQ 1ZZ

Visit our website:

www.sure.co.fk

On our website you can contact us, report a fault, find out about our services, monitor your broadband usage and request e-billing.

4. Services from Sure

Sure provide a wide range of services. Please contact us or check our website for the latest details.

4.1. Telephone Service

Our telephone service is available across the Islands for both national and international calls.

You can choose to have your own line installed, use one of our many payphones situated across Stanley and Mount Pleasant or by purchasing a telephone card you can use any telephone or payphone. The credit from your telephone card is used to pay for the call, avoiding any charges going onto the telephone bill of the person whose telephone you are using.

We offer international off peak rates which are between 6pm – 6am Monday to Thursday and 6pm Friday to 6am Monday.

All residential landline customers can apply to join our Talk Away service which takes 10% off the cost of the call to three international telephone numbers of your choice.

Our special telephone features are extensive and include caller number display, call diversion and call barring.

For more information on our call tariffs, Talk Away and special telephone features visit www.sure.co.fk.

4.1.1. How to order our phone service

Applying for a telephone line is easy, just complete an application form which is available from our shops in Stanley and Mount Pleasant, by telephoning our Customer Services Team on freephone 131 or by downloading from our website www.sure.co.fk.

All application forms must be signed by the person responsible for paying the bill before a service will be provided.

The minimum term for our telephone service is normally one year.

4.1.2. New Customers

For new customers with a Falkland Islands bank account we encourage payment by direct debit, as this ensures your bill is paid on time and avoids incurring interest charges.

A deposit may be required, we will discuss this with you when you apply for a new account. Your deposit must be paid before we will set up your service.

We will also set a credit limit on your account, which means that if your spend reaches your credit limit you will be notified and asked to pay an interim payment straight away.

Telephone accounts will be held in a sole name, although there can be joint signatories who can deal with matters relating to the account.

4.1.3. How long will it take to install?

We aim to provide all new residential telephone installations within 10 working days. For businesses we aim to install new lines within 7 working days (provided there is a phone line to your premises). If we need to arrange a survey before carrying out the work, or need to lay extra cabling, it may take us longer. If so, we will inform you how long the work is likely to take.

For new installs, wherever possible, and on all new building sites in Stanley, telephone service feeds will be underground. Sure will be responsible for all trenching associated with the service installation up to the boundary of the property. It is the owner's responsibility to provide a trench between the boundary and the building. Any reinstatement after installation of the ducting must be carried out to the satisfaction of Sure. Should it not be possible for the owner to undertake this

work, Sure will arrange for a contractor to undertake the job, however the cost will be charged to the customer. Please contact our Engineers on freephone 131 to arrange an appointment or consultation on guidance on the trench route and depth etc. Sure will provide the duct and cable and carry out the installation once the trench has been completed. Installations in Camp will be assessed on an individual basis.

4.1.4. Moving or cancelling your service

If you wish to terminate your service, please contact Customer Services on freephone 131 at least one month before you wish to terminate the service. If you are leaving the Islands, your line must be terminated 2 working days before departure to allow for your final bill to be prepared. All bills must be settled before your departure, default of payment will lead to loss of your deposit.

If you wish to have your telephone or internet disconnected or moved to a new location, please contact Customer Services on freephone 131, giving as much notice as possible. Less than 10 days' notice may result in your requirements not being met. For termination please note your conditions of contract. Please note disconnections can only be made during normal working hours; Monday to Friday 08.00 to 12.00 and 13.00 to 16.30 (excluding public holidays).

4.1.5. Extra sockets

If requested we can install extra sockets, however you will be charged for this service. If you install your own extra sockets and there is a fault with this part of your service, you will not be covered by our customer charter.

4.1.6. Malicious calls

Malicious calls are annoying and worrying and we take this problem very seriously. If you receive a malicious call please report it directly to the Police, we will work closely with them to tackle the problem.

Here are some simple tips for dealing with malicious or persistent nuisance calls:

- Do not enter into a conversation with the caller.
- Calmly place the handset down.
- Never give out your name or address or personal information about you or your family.
- Put an answer phone on your telephone line to intercept and screen your calls.
- Contact the Police straightaway.

4.2. Broadband Service

Broadband is a connection to the internet that is 'always on'. It gives quick and easy access to your e-mails, websites, social networking sites, audio and video streaming and file downloads, plus you can make phone calls at the same time.

With our broadband service you can choose from either a pay monthly contract or pay as you go which is available via our extensive Wi-fi hotspot coverage in Stanley, Mount Pleasant and the Islands. Our pay monthly service offers the choice of six different packages designed to cater for all of our customers' needs.

The minimum term for our broadband service is one year.

Early termination of your contract will result in an Early Termination Charge.

For more information or to apply for broadband please visit www.sure.co.fk, pop into one of our stores or call us on freephone 131.

4.2.1. How to get connected

If you want a pay monthly contract you will first need to have a telephone line installed. To apply for broadband, just complete an application form which is available from our shops in Stanley and Mount Pleasant, by telephoning our Customer Services Team on freephone 131 or by downloading from our website www.sure.co.fk.

Provided that you have a telephone line connected your service will be available within 3 working days from receipt of your application form.

If you need help in choosing your package our Customer Services Team can help, call freephone 131.

4.2.2. How to upgrade or downgrade your package

Upgrading - you can upgrade your package at anytime during your contract period. All upgrades take effect from the 1st of the following month. To upgrade your package you will need to complete an upgrade application form.

Downgrading - you can downgrade your package after you have completed your initial contract period, a small charge will be made to change your package. All downgrades take effect from the 1st of the following month. To downgrade your package you will need to complete a downgrade form.

Two working days' notice are required to upgrade or downgrade your package.

If you downgrade your package and then upgrade your package within a 60 day period, there will be an administration charge for your upgrade.

Forms are available from our shops in Stanley and Mount Pleasant, by telephoning our Customer Services Team on freephone 131 or by downloading from our website www.sure.co.fk.

4.2.3. How to terminate your service

After you have completed your initial period you can terminate your contract at any time. To cancel your service you will need to complete a termination form.

Early termination during the initial period will result in an early termination charge. Termination will take effect from the 1st of the following month provided 2 working days' notice are given.

Termination forms are available from our shops in Stanley and Mount Pleasant, by telephoning our Customer Services Team on freephone 131 or by downloading from our website www.sure.co.fk.

4.3. Wi-Fi service

We offer over 60 Wi-Fi hotspots around the Falkland Islands. The service is accessed through the use of pre-purchased Wi-Fi cards which are available from many retail outlets and most Wi-Fi hotspot locations. Cards are purchased by time and are available for 50, 100 or 200 minutes. For a full list of hotspot locations and retail outlets please visit our website www.sure.co.fk.

4.4. Other internet services

As the internet service provider in the Falkland Islands we offer a range of other services including rental of webspace, issue of domain names, additional e-mail addresses and a file transfer service. For more details on these or other services contact our Customer Services Team on freephone 131.

4.5. Payphones

We run a wide network of payphones across Stanley and Mount Pleasant which operate on either a prepaid phone card or by coin. To locate your nearest payphone or obtain a full list of Stanley payphones please visit our website www.sure.co.fk, for Mount Pleasant please contact our Customer Services Team on freephone 131.

You can make free emergency calls from all of our payphones by dialling 999. You can also contact us by dialling freephone 131 for Customer Services or 121 for faults.

4.6. Directory services

We publish a telephone directory periodically and supply one to each landline and premium mobile account holder free of charge. Additional copies are available at a charge, for more information please contact our Customer Services Team on freephone 131.

Customers are entitled to one free directory entry for each telephone, fax or pay monthly mobile number. Additional entries i.e. another person or business with the same telephone number will attract a charge for each additional entry. One e-mail address will be published in the directory free of charge; any additional entries will attract a charge. Please note that e-mail entries are only included in the directory on request.

You can choose not to have your name, address and telephone number published in our telephone directory or made available through our directory enquiries service, this is known as ex-directory. To make changes to your entry contact our Customer Services Team on freephone 131, all amendments will appear in the next edition of the telephone directory.

Our directory can also be accessed online on our website www.sure.co.fk. This is only available locally.

We offer a directory enquiry service which can be accessed by dialling 181. You can make an unlimited number of directory enquiry requests during a call. For the cost of calls to 181 please visit our website www.sure.co.fk.

Whilst every care is taken in compiling the directory, no liability is accepted for loss or damage directly or indirectly attributable to any errors or omissions. We cannot reprint the telephone directory, however any error or omission will be corrected for the next edition.

4.7. Mobile services

Sure operates a mobile phone service branded as Sure. It provides coverage across the main residential areas of the Falklands; Stanley and Mount Pleasant and through roaming agreements with other mobile network providers a service is also available in a number of countries across the world. Sure services includes voice, text messaging, sometimes called SMS, data and picture and video messages, sometimes called MMS.

For a list of our roaming partners and how to use your phone abroad please visit our website www.sure.co.fk.

4.7.1. How to set up a mobile service

It's easy to set up a mobile account, all you have to do is choose one of our packages which best suits your needs, and then complete a mobile application form. If you visit our shops in Stanley or Mount Pleasant you can walk away with your SIM ready to go. Alternatively pay as you SIMs are also available through a number of independent retailers in Stanley and Mount Pleasant.

Our mobile phone service offers a choice of packages. Pricing depends on the package you choose. For more information on packages, pricing and our terms and conditions please visit our website www.sure.co.fk.

4.7.2. Lost or stolen phone

If your phone has been lost or stolen please contact our Customer Services Team on freephone 131 immediately so that we can stop any further phone calls being made. Please also contact the Police to report the theft and have them start an investigation.

4.8. Sure Business

We can offer our customers a complete business communications solution including:

- Systems planning.
- Consultancy.
- Corporate network solutions.
- Communications equipment.
- Business telephone systems.

We have local expertise in communications technology including a resilient fixed network, private circuits and worldwide network connections.

For more information contact our Customer Services Team on freephone 131 to discuss your requirements.

5. Bills and payment

In this section we describe how we ask for payment and the help we can give you if you have problems paying your Sure bills. We also explain what action we take if you can't or don't pay.

Services are provided on the condition that the person(s) or organisation requesting the service will accept full responsibility for payment of ALL items billed. Bills for services are sent monthly. Cost of calls will be charged to your next month's bill. Rental charges for all services are charged monthly in advance, except your first month's charge which will appear on your first telephone bill and will be pro rata for the number of days you had the services.

We offer a range of payment options:

- Bank transfer from your current account online. We don't charge for this facility, but you should check with your bank or building society concerning any charges or terms and conditions that might apply. You will need to quote our bank account number (11339451) and sort code (18-50-08). You will be asked for a reference number - please use your Sure account number, which is shown at the top right hand corner of your bill.
- Paying in person at our shops; Ross Road, Stanley or FIC Shopping Complex Mount Pleasant; cheque, cash or credit card (credit card payments attract a charge).
- Directly into our Standard Chartered Bank account 002009908000.
- By direct debit (forms are available from our Customer Services Team who can be contacted on freephone 131, or at either of our shops).

Bills can be posted or sent electronically. The benefit of an e-bill is that you can opt for itemised billing free of charge, this normally costs £2 per month per telephone number.

Customers are respectfully reminded that payments not made by the due date, which is shown on the bill, will result in 5% interest being added to the outstanding amount. If the bill remains unpaid it could result in disconnection of your service and a fee being charged for reconnection. Recurring late payers will be asked for a deposit before their service is resumed. To avoid such inconvenience we would ask that customers pay their bills promptly.

If you are leaving the Islands for a period of time, we request your telephone bill is settled before you leave. To ensure you are not disconnected please telephone Customer Services on freephone 131, who will make a note of your return date and ensure that your telephone service is not interrupted.

5.1. Payment difficulties

It is important that you contact us straight away if you are having difficulties paying your bill. The earlier we know the more help we can give you.

There are a number of solutions available to help those having financial difficulties:

- A repayment plan will help you to pay the outstanding amount over an agreed period of time. When we agree the repayment plan we will take your past payment history into account.
- A restricted service - if we believe it will help you avoid a larger debt building up, we may ask you to agree to have your service restricted until you have completed your repayment plan. In these circumstances, we will not charge for restoring the service.
- We can bar international calls where they have contributed towards your payment difficulties.

If unauthorised calls have been made on your phone to premium rate services we can offer you help and advice.

5.2. Unpaid bills

If we do not receive payment by the date shown on your bill, we will send a reminder. If you leave an amount unpaid and do not let us know that you are having difficulties paying your bill, you risk disconnection of your service.

When a bill is sent to you and payment is not received by the stated date we will apply the following procedure:

- Payments not made by the due date which is shown on the bill will result in 5% interest being added monthly to the outstanding amount.
- We will send you a reminder stating that payment must be made within 7 days of the date of the reminder.
- Where the bill is not paid and there is no history of previous non-payment, we will contact you by phone (if unsuccessful we will send a letter) advising the date we must receive payment by, otherwise your service will be restricted (calls to emergency services will still be possible).
- After your service has been restricted, we will write to you and inform you that your contract will be terminated if payment is still not received by a final date.
- If payment is not received, we will disconnect your telephone service and it will not be reconnected until we have received full payment of the outstanding amount.
- We will also make a charge for restoring your service.
- If you do not pay the outstanding amount after your service has been disconnected, your contract with us will be terminated and legal action will be initiated to recover the debt. We may pass the outstanding amount (including any late payment fee) to a debt collection agency to collect the money on our behalf. Please note that a charge will be raised for any subsequent re-provision of telephone service.
- We reserve the right to pass on all collection costs which may also result in a loss of your deposit.

6. Repair and maintenance

We carry out regular preventative and corrective maintenance on our network. Our aim is to minimise inconvenience to our customers. Whilst some preventative and corrective maintenance can be done remotely and without affecting service, there are some occasions where a visit is required and / or the network affected by an outage. Whenever possible planned outages will be carried out overnight and customers given 3 days' notice.

6.1. How to log a fault

Should you have a fault with your Sure supplied equipment or telephone line please report it at once by calling our fault reporting service on freephone 121 or by using our 'report a fault' link on our website www.sure.co.fk.

When you log a fault, our staff/engineers may ask you to carry out a number of checks to your service which will assist with the fault detection process. Where these checks do not resolve the fault, we will log your fault and assign the work to a Technician. If the Technician establishes that the fault is due to Sure equipment, the repair will be carried out within our service charter timescale at no cost to you. However if it is established that the fault is caused by customer-owned equipment attached to the system, a call out/telephone diagnosis charge will be levied. Our scale of charges can be found on our website www.sure.co.fk.

Please note that where customers refuse the offer of a Sure Technician to investigate the fault, we will not be liable for any third party costs incurred, even if it is later established that the fault was the responsibility of Sure.

Sure is happy to resolve a fault with your own equipment, however a charge for this service will become due. Sometimes the fault can be resolved during the initial diagnosis telephone call or visit by our Technician. If the repair does not exceed the initial call out time, there will be no separate repair charge levied. For more details on our charges visit our website www.sure.co.fk.

7. Communicating with you

We believe in effective communication with our customers and we always try to update you on your service, new services being offered or problems with our network in a timely way. We do this through a variety of media, including:

- Regular newsletters.
- Monthly information at the bottom of your bill.
- Adverts in the Penguin News, Falkland Islands Television station or on the radio.
- E-mail alerts to all broadband customers.
- Our website, www.sure.co.fk.

8. Checking our performance and quality

This section deals with how we check our own performance and what you can expect when you buy equipment from us.

8.1. Customer satisfaction surveys

We continually seek your views on our service through regular customer satisfaction surveys carried out on our behalf by an independent person. We review all survey results and introduce change where appropriate.

Whilst we want to hear what you have to say, should you be contacted, our surveys are completely optional.

8.2. Faulty equipment and accessories

If for any reason you find a fault with the equipment you've bought from us, you should immediately return it with your receipt and equipment guarantee (applicable items only).

If your equipment is faulty and under warranty we will replace the item, if the item is sold out, you will be given the opportunity to select an alternative. If there is no suitable alternative we will refund your money.

Please note that we have the right not to offer you an exchange if:

- You have damaged the equipment in any way.
- The fault is due to something you have done.
- We told you about the fault before you bought the item.
- We suspect the item has been damaged by you.

If we suspect the item has been damaged by you and it is under warranty we will return your goods to our supplier for repair. If they advise us that the fault was not due to your action, the item will be repaired and returned to you, or you will be offered a replacement / alternative / refund. If the fault is due to your actions we will provide you with a cost of repair and you can decide if you want the repair to be carried out at your own cost, or the item returned to you at your cost.

9. Prices

We publish a standard price list. For up to date information please visit our website www.sure.co.fk.

For more information you can call us on freephone 131 and speak to our Customer Services Team who will be happy to assist.

10. Customer Service guarantee

We offer a service guarantee for the provision and repair of our fixed line and broadband service. We are not responsible for the repair or maintenance of any third party equipment or service. If you have a problem with our service, it is important that you let us know. This section explains our service charter and what we will do if we do not comply with these standards.

You need to have a clear understanding of when you will receive the service.

We promise where capacity is available and service is offered, to meet maximum service delivery times shown in the table below. After acceptance of an order¹, we will meet the agreed delivery times.

Maximum Service Delivery Times (Stanley ONLY)

Service Type	Maximum Delivery Time (Working Days)
Business or Government Line ²	7 Days ⁴
Residential Line ²	10 Days ⁴
Broadband Internet Services	3 Days ^{3&4}

Maximum Service Delivery Times (Camp ONLY)

Service Type	Maximum Delivery Time (Working days)
Business or Government Line ²	10 Days ⁴
Residential Line ²	10 Days ⁴
Broadband Internet Services	3 Days ^{3&4}

If we exceed the delivery times without your agreement you will be entitled to claim a refund equivalent to that of the installation charge levied on the service. If an installation charge is not levied, you will be entitled to claim the first month's rental charge for the delayed service, please note for broadband services you will be entitled to a maximum of £20.

For Mount Pleasant customers please call freephone 131 for service charter delivery timescales.

Fault Repairs

You need to rely on our service, to be given accurate information about when service can be resumed and to be kept informed of the progress of repairs.

We promise that you will be able to report faults 24 hours a day, 365 days a year and we will respond to your report within the following timescales. If your fault cannot be repaired within this timescale, you will be notified and given a specific time of completion. The table below shows the fault repairing timescale and scale of compensation. Should you be entitled to compensation it will appear as a credit on your next telephone bill.

Faults		
Stanley	Respond within	Compensation
Business	1 working day	After 2 working days * - a daily rental credit for each whole day that we are late in repairing the service ⁴
Residential	2 working days	After 3 working days * - a daily rental credit for each whole day that we are late in repairing the service ⁴
Camp		
Business	1 working day	After 5 working days * - a daily rental credit for each whole day that we are late in repairing the service ⁴
Residential	2 working days	After 7 working days * - a daily rental credit for each whole day that we are late in repairing the service ⁴

* This means midnight on the 2nd, 3rd, 5th or 7th working day after you reported the fault. We will treat a fault reported after 16.30 on a weekday or anytime at weekends as if you have reported the fault at 8am on the next working day.

For Mount Pleasant customers please call freephone 131 for service charter fault repair timescales.

¹ The agreed delivery times will be met after a credit check has been completed and the order has been approved for credit.

² Direct exchange line only.

³ Following the installation timescale of a telephone line.

⁴ Sure will not be responsible for delays or service failures outside of its control e.g. acts of nature, service failings of other providers, availability of transport to reach some Camp locations, customers delaying access to their premises.

Billing

You need to receive an accurate bill.

We promise to supply an accurate bill each month.

OPERATOR SERVICE / DIRECTORY ENQUIRIES

You need to have calls answered promptly and courteously.

We promise to answer 100% of operator service calls within thirty seconds.

Information

You need to receive timely and accurate answers to your questions.

We promise that, within Sure normal working hours, you will be able to speak to a Customer Service representative on the telephone with, on average, no more than a thirty second wait. The representative will either answer your question immediately, or get back to you within seven working hours.

Payphones (Stanley only)

You need payphones that are reliable.

We promise that our payphones will not be out of service for longer than seven working hours on more than two occasions each month.

Choice of Service

You need access to a range of services that provide you with options for meeting your communications needs.

We promise to supply a range of services in a flexible manner that provides a solution to your communications needs.

Claims

Claims can be made by the person who rents the line within three calendar months from the last day to which the claim relates, except where specifically indicated in this Charter. Sure accepts no liability for failure to meet the Charter service levels.

The only occasions on which these standards will not apply are for circumstances beyond the control of Sure.

All service and fault refund claims should be made through our Customer Services Department in writing.

We actively seek your comments to improve the service we provide to every customer.

If you are not satisfied with Sure performance of this Charter, then please contact our Customer Services Department:

Telephone 20800 or freephone 131

Fax: 20811

E-mail: info@sure.co.fk

Normal working hours are:

Monday to Friday: 08.00 – 16.30

Sure reserve the right to amend this Charter at any time.

10.1. Dealing with complaints

We are committed to giving our customers the best possible telecommunications services. Despite our best efforts, things can go wrong, and when they do we want to know so that we can put them right as soon as possible.

If you wish to discuss any aspect of our service then please contact us as follows:

Telephone 20800 or freephone 131

Fax on +500 20811

Email: info@sure.co.fk

Postal address:

Sure South Atlantic Limited,

PO Box 584,

Stanley,

Falkland Islands,

FIQQ 1ZZ

In the event that you are unhappy with the service, our Customer Services Team will aim to resolve your complaint quickly. Please follow the process below:

Contact our Customer Services Team either in writing or by telephone on freephone 131. The Customer Services Assistant will deal with your complaint within 5 working days .

If you remain unhappy about the quality of service, your complaint can be escalated to our Sales and Service Performance Supervisor, who will investigate your complaint and respond in full within 7 working days.

If you are still unhappy with the way your complaint was handled, please contact the Retail, Marketing and Customer Services Manager who will work with you to try to resolve your complaint satisfactorily. Your complaint will be responded to within 7 working days.

If your complaint remains unresolved to your satisfaction please contact the Chief Executive of Sure who will respond to you within 7 working days.

10.2. If you are still not happy

We will do everything we can to resolve your complaint, disagreement or dispute. However if you are still unhappy after the process explained above, you can refer your complaint to the Falkland Islands Government.

If you want to complain to the FIG you must do so within 6 months of receiving our final letter, which explains that your complaint has been closed.

Director of Civil Aviation/Head of Regulatory Services

Falkland Islands Government

PO Box 705

Stanley, Falkland Islands. FIIQQ 1ZZ

Telephone + 500 27305

Fax + 500 27306

Email bwilks.civilaviation@sec.gov.fk

11. Confidentiality of customer information

We will treat any information we have about you in confidence and will not disclose it to anyone except yourself, or in accordance with any instructions you have given us. However there are circumstances in which we may be required by law to disclose information, such as requests from Statutory Authorities, for example Police Force or Customs and Excise. Any such disclosure will be strictly controlled.

12. Environmental policy

Sure takes its responsibility to the environment seriously and is committed to developing and maintaining good environmental standards, therefore we constantly seek ways to improve our performance.

13. Renewing/updating our codes of practice

We regularly review all our code of practice. For the most recent information on our services and prices please check our website www.sure.co.fk.

SCHEDULE 2

PUBLIC PAY TELEPHONES AND PUBLIC WIRELESS ACCESS POINTS

1. Public Pay Telephones

The Public Pay Telephones of the Falkland Islands shall be maintained in the main business and tourism areas in Stanley. Typical locations include:

- outside the post office; and
- other key areas along Ross Road and/ or Crozier Place.

The Licensee is required to consult with the Regulator before removing any public pay telephone box, except to the extent that removal is required as a result of vandalism. The licensee is required to inform the Regulator if they intend to relocate any public pay telephone box. The licensee does not need to consult the Regulator in the event that it wishes to change the technology used within any public pay telephone box where any such changes do not have any material adverse effect to the underlying services provided.

This table shows the location of payphones in Stanley as of 01 January 2016:

Location	Coin/ Card
Post Office, Ross Rd (2 phone boxes)	Card
West Store, Ross Rd	Card
Museum	Card
Tourist Kiosk, Philomel Hill	Card
FIPASS (2 phone boxes)	Card/ Coin
Stanley Leisure Centre	Coin
Sure main office	Coin

2. Public Wireless Access Points

The Public Wireless Access Points of the Falkland Islands shall be installed in the following locations:

The Public Wireless Access Points of the Falkland Islands are installed by the Licensee where commercially viable cases for such points exist. When considering the location for additional Public Wireless Access Points the Licensee will be expected to give due regard to areas identified by the Regulator. The Regulator will take account of feedback from the tourism and business communities

and annual customer satisfaction survey results but the decision regarding installation in any such areas will remain with the Licensee. The following is the list of the wireless access points in the islands as at June 2016:

Location
Bennett House
Bittersweet
Chamber of Commerce
Crozier café
Darwin Lodge
Deanos Bar
FIPASS
(The) Galley Café, Goose Green
Goose Green Self Catering
Hillside
(The) Jetty Centre
King Edward Memorial Hospital
Lafone House
Liberty Lodge
Lighthouse Seamen's Mission
Lookout Lodge
Malvina House Hotel
Museum
(The) Narrows
(The) Paddock
(The) Rose Bar
Shorty's Diner & Motel
SURE Shop Stanley
West Store Café
Waterfront Hotel
Bleaker Island
Black Shanty House
Carcass Island
Port Howard Lodge
Saunders Island
Bleaker Island
Sealion Island
Mount Pleasant Airport Terminal
NAAFI-Bottom
NAAFI-Top
Oasis
Officers' Mess
(The) Planet JE Block
Sergeants' Mess
SURE Shop
WRVS, MPA
12 Facility, MPA

This Schedule may be varied by the Regulator at any time upon written notice to the Licensee

SCHEDULE 3
PRICE CONTROLS

Regulatory Services

Regulatory Services, Stanley, Falkland Islands FIQQ 1ZZ
Telephone: (500) 28498

*Price Cap Regime and Implementation for Regulated
Telecommunications Services provided by Sure in the
Falkland Islands*

6 March 2017
Final

THIS PAGE IS INTENTIONALLY BLANK

CONTENTS:

Chapter 1: Introduction	1
Chapter 2: Price Cap	3
Chapter 3: Broadband Obligation	13
Chapter 4: The MS Excel Workbook	15
Chapter 5: Compliance Procedures	16
Annex A: Regulated Services in the Price Cap and the Starting Prices in Price Control Year 2016	19
Annex B: MS Excel Workbook	21
Annex C: Example of approach to calculating value of mobile packages	22
Annex D: Mechanics of Compliance Submission in Excel Workbook	23

Tables:

Table 1: Broadband Obligation – Data Allowances	13
Table 2: Broadband Obligation – International Satellite Capacity	14
Table 3: Broadband Obligation – Line Speeds	14
Table 4: Price Control Years and Compliance Statement Deadlines	17
Table 5: Services in the price cap and starting prices	19

Chapter 1: Introduction

Purpose

1. This document sets out the retail price control mechanism that has been agreed between the Regulator and Sure South Atlantic Ltd (hereafter referred to as Sure) for regulated telecommunications retail services (as defined at Annex A) provided in the Falkland Islands. It contains two distinct but related components:
 - a. A price cap of the form $RPI - X$ to ensure that the weighted average of annual price increases of a defined 'basket' of regulated services does not exceed a parameter called the 'controlling percentage';
 - b. A broadband obligation that defines a series of increases in broadband data allowance for consumers and other improvements in broadband; linked to defined increases in international satellite capacity.
2. This document replaces all previous versions and is accompanied by a MS Excel workbook designed to facilitate implementation of the retail price control mechanism.
3. This document reflects the agreement made between the Regulator and Sure in relation to the price control mechanism. It sits alongside the exclusive licence granted to Sure for provision of telecommunications services.
4. The price cap came into force on 1 January 2016 and is similar in form to the previous price cap for regulated telecommunications services on the Falklands Islands that was in place between 1 April 2011 and 31 March 2015.

Background

5. In principle, the price control mechanism should protect residential and business customers from monopoly excess while providing Sure with a reasonable rate of return on capital efficiently employed, having regard to the risks involved.
6. In September 2012 the regulator of telecommunications applied a price control (known as a price cap) on Sure, applied retroactively starting 1 April 2011.¹ The purpose of the price cap was to limit the ability of Sure to increase certain retail prices. Notwithstanding it allowed Sure to change retail prices to reflect changes in the cost of certain inputs that were outside its control.²
7. The controlling percentage consisted of an expression with four parameters:

$$CP_{(t)} = \Delta RPI_{(t-1)} - X_{(t)} + CO_{(t-1)} + Y_{(t-1)}$$

Where:

¹ The Revised Implementation Document (RID) final version dated 26 September 2012.

² These inputs were the cost of electricity, international satellite capacity and the dollar-sterling exchange rate

- $\Delta RPI_{(t-1)}$ corresponded to changes in retail price index over the previous year;
- $X_{(t)}$ was defined as the offset factor and was set to 5% in order to reduce prices for consumers during the price cap period;
- CO was the carry over factor which permitted Sure to transfer 'credit' for exceeding price cap obligations between price control years; and
- Y was defined as the cost pass through parameter that allowed the provider to pass through cost changes not under their direct control, namely: tariff changes from the Satellite provider on space segment rental; dollar-sterling exchange rate relating to space segment costs; changes in the cost of electricity.

8. This previous price cap lasted four years and was originally designed by a regulatory economist, Chris Doyle, in close consultation with the management at Sure and the Regulator.

Structure of this document

9. The main body of this document is arranged into this introductory chapter and four other chapters:
- Chapter 2 provides more detail on the price control mechanism, price cap framework, formula and operating principles;
 - Chapter 3 sets out the Broadband Obligation;
 - Chapter 4 outlines the mechanics of the price cap including an overview of the Excel Workbook through which data relating to the price cap formula will be entered and computed;
 - Chapter 5 sets out the compliance procedures for Sure.
10. There are also four annexes:
- Annex A provides detail of the starting prices for all the regulated services that fall within the price cap;
 - Annex B provides further detail and screenshots from the Excel Workbook;
 - Annex C provides worked examples of the approach to valuing mobile packages;
 - Annex D provides instructions on submission of compliance statements from Sure to the Regulator.

Chapter 2: Price Cap

Structure of Price cap

11. The Regulator shall apply on Sure a retail price control mechanism known as the 'price cap' (or 'price cap'). This price cap shall apply for four years from 1st January 2016 (the 'price control period').
12. The price cap requires that a weighted average of the changes in retail prices for 'price cap regulated services' shall not exceed something known as the 'controlling percentage'. The controlling percentage shall contain a term called the 'offset factor X', which shall in this case be set at zero. The price cap shall apply to prices for price cap regulated services in a 'price control year' and there shall be four price control years the first of which starts on 1 January 2016. The price cap is to be applied retrospectively.
13. Regulated services mean all publicly available retail telecommunication services offered by Sure having a published tariff in the Falkland Islands.
14. Price cap regulated services mean regulated services other than broadband internet packages and broadband internet data boosters. This document provides a complete list of price cap regulated services in Annex A.
15. New services offered to the public during the term of this price cap will be brought into the price cap only when a revenue threshold test is positive.
16. Each of the four price control years ends on 31 December in each of the following years: 2016, 2017, 2018, and 2019.

Framework of price cap

17. This section and subsequent sections sets out the price cap and outlines the mechanics of the price cap.
18. The price cap shall constrain the weighted average change in prices for the price cap regulated services, where the weight for each service is determined as its share of total revenue of all price cap regulated services in the preceding year. It is important to recognise that the price cap in any given year t operates in practice with reference to volumes in the year preceding, that is $t-1$.
19. The price cap is that in each price control year t the weighted average (using an arithmetic average) of percentage changes in tariffs of price cap regulated services shall not exceed the controlling percentage $CP(t)$ in year t . The controlling percentage is defined more fully below.
20. In price control year t the percentage change in the price of regulated retail service i is calculated as follows:

$$\Delta P_{(i,t)} = ((p_{(i,t)} - p_{(i,t-1)}) / p_{(i,t-1)}) \times 100 \quad [1]$$

where

(t): is the current price control year

(t-1): is the year (12 months) preceding the current price control year

$p_{(i,t-1)}$: is the effective annualised tariff for regulated retail service i . This is measured by looking at the price charged for service i over the previous year $t-1$. If the price of service i was constant throughout $t-1$, then the effective annualised price is the list price observed in $t-1$. If the price varied in $t-1$, the approach adopted is to find the equivalent constant annual price that would have made consumers indifferent between the two scenarios (ignoring time discounting costs). The method used to calculate this price is described in Section E below. The starting prices at the beginning of the price cap on 1 January 2016, however, shall be equal to the prevailing tariff on 1 January 2016 (see Annex A). Temporary offers and similar non-permanent discounts are excluded from the calculations; and

$p_{(i,t)}$: is the published tariff of Sure for regulated service i at time t during the price control year excluding any discounts offered.³

21. In the first price control year 2016 the price changes are measured with reference to 'starting prices' prevailing at 1 January 2016 as shown in Annex A.

22. The revenue weight for price cap regulated service i is defined as the revenue associated with price cap regulated service i in the year prior to the price control year divided by the total revenue for all price cap regulated services $i=1 \dots n$ in that year:

$$(p_{(i,t-1)} \times q_{(i,t-1)}) / \sum_{i=1 \text{ to } n} p_{(i,t-1)} \times q_{(i,t-1)} \quad [2]$$

where

$q_{(i,t-1)}$ is the volume (quantity) of price cap regulated service i bought by customers in the period (t-1).⁴

23. The denominator $\sum_{i=1 \text{ to } n} p_{(i,t-1)} \times q_{(i,t-1)}$ in expression (2) is the total revenue of the regulated services in the year preceding the price control year. To ease subsequent exposition it shall be written omitting the summation sign (in vector format) as:

$$p_{t-1} q_{t-1} = \sum_{i=1 \text{ to } n} p_{(i,t-1)} \times q_{(i,t-1)} \quad [3]$$

³ Discounts are taken to mean introductory offers (whereby a consumer pays a lower price for an initial period of a contract before the price reverts to the higher normal price), promotional offers and other temporary offerings. See below for issues arising from within current price control year price changes.

⁴ The reason why weights make use of the previous year's revenue is to allow the question: By how much in expenditure terms has it changed for a consumer to buy a quantity of telecommunication services equal to the amount purchased in the previous year. It enables comparisons to be made on a like-for-like basis. For example, if a consumer purchased 100 national SMS text messages last year at 10p each, total expenditure would have been £10. If during the current year the price of a SMS message increases to 15p, the cost of purchasing 100 SMS messages would increase to £15 representing a 50% increase. In practice the consumer might, faced with the higher price, lower demand for SMS messaging and spend less than £15.

The sum of the revenue weights is equal to one:

$$\sum_{i=1}^n \{(p_{(i,t-1)} \times q_{(i,t-1)}) / p_{t-1}q_{t-1}\} = 1 \quad [4]$$

24. Compliance with the price cap requires that at the end of each price control year it should be the case that the weighted average of percentage price changes of price cap regulated services shall not exceed the controlling percentage:

$$\sum_{i=1}^n [(((p_{(i,t)} - p_{(i,t-1)}) / p_{(i,t-1)}) \times 100) \times \{(p_{(i,t-1)} \times q_{(i,t-1)}) / (p_{t-1}q_{t-1})\}] \leq CP_{(t)} \quad [5]$$

Note 1: The controlling percentage $CP_{(t)}$ is defined more fully below in paragraphs 27 & 28 and refers to the allowable maximum annual percentage change in prices.

Note 2: The expression in (5) states that the weighted average of the price changes for all the price cap regulated services must be no greater than the controlling percentage. The expression shows that sale volumes in the current price control year, as measured at the end of the year, are not featured. If the sales volumes grow or decline in the current price control year, the effect of this would be reflected in the following price control year. Thus if the market size doubled this year, the price cap would act to constrain changes in revenue associated with half the current revenue. It is important to understand that Sure is not deterred from meeting extra demand in any current year and is certainly not penalised in any way for meeting rising demand.

Note 3: The expression in (5) forms the basis for a price cap compliance test. However, the test can be simplified and made more operational. This is shown algebraically below and in the MS Excel workbook (see also Chapter 5).

The expression in (5) may be rewritten as follows:

$$[1 / (p_{t-1}q_{t-1})] \times \sum_{i=1}^n [(((p_{(i,t)} - p_{(i,t-1)}) / p_{(i,t-1)}) \times 100) \times (p_{(i,t-1)} \times q_{(i,t-1)})] \leq CP_{(t)} \quad [5a]$$

Note 4: The fraction $[1 / (p_{t-1}q_{t-1})]$ appears in every term on the left hand side and is taken outside and pre-multiplied into the remainder of the expression.

Note 5: The expression in (5a) can also be written as $L \leq 1 + CP_{(t)}$, where L is called the Laspeyre index of price changes:

$$L = [\sum_{i=1}^n (p_{(i,t)} \times q_{(i,t-1)})] / p_{t-1}q_{t-1}$$

Note 6: A Laspeyre index of price changes measures the effect of the change in prices by reference to last year's quantities – in other words how much does it cost this year to buy last year's quantities. With inflation present the value of L exceeds 1 as prices increase, in periods of deflation L would be less than 1.

The expression in (5a) is the same as:

$$\{ \sum_{i=1}^n [(((p_{(i,t)} - p_{(i,t-1)}) / p_{(i,t-1)}) \times 100) \times (p_{(i,t-1)} \times q_{(i,t-1)})] \} \leq CP_{(t)} \times p_{t-1}q_{t-1} \quad [5b]$$

Note 7: Multiplying both sides of (5a) by $p_{t-1}q_{t-1}$ gives the expression in (5b). The term on the left hand side of the inequality in (5b) states that the percentage change in price for regulated service i in the current price control year multiplied by the reported revenue associated with regulated service i in the year preceding the current price control year summed over all the regulated services shall not exceed the total revenue associated with regulated services in the year preceding the current price control year multiplied by the controlling percentage. If the controlling percentage is negative, this requires a reduction in one or more tariffs.

25. The expression in (5b) is key to the price cap to be applied on Sure. It states that the price change of a price cap regulated retail service will contribute to the overall price cap according to the share in price cap regulated revenue associated with the service in the year preceding.

26. The controlling percentage should be known at the beginning of the price control year. It should also be the case that the revenue in the year preceding the price control year for each price cap regulated service should be known within three months of the start of the price control year. Therefore Sure should at that point be in a position to determine whether any actual or proposed price changes will be in compliance with the price cap.

27. The controlling percentage is comprised of four variables:

$$CP(t) = \Delta RPI_{(t-1)} - X_{(t)} + CO_{(t-1)} + Y_{(t-1)} [6]$$

28. The variables in the controlling percentage shown in (6) are described below:

Inflation

a. The first term $\Delta RPI_{(t-1)}$ is a measure of the change in the index of retail prices ('inflation') as measured by the change in the index of retail prices compiled by the FIG. Inflation shall be measured as the year-on-year percentage change (from September to September) in the Retail Price Index in the years preceding the relevant price control year, using the official published retail price index of the FIG:

$$RPI_{(t-1)} = ((RPI_{(t-1)} - RPI_{(t-2)}) / (RPI_{(t-2)})) \times 100 [7]$$

where:

(t-2): is the year preceding (t-1)

RPI_(t-2): is the value of the Retail Price Index for the month of September of the year (t-2)

RPI_(t-1): is the value of the Retail Price Index for the month of September of the year (t-1)

In the first price control year 2016, the RPI values are therefore taken for the months September 2014(RPI_(t-2)) and September 2015 (RPI_(t-1)).

Offset Factor X

b. The offset factor is set equal to zero.

Carryover CO

c. A 'Carryover' factor CO_(t-1) measures the gap between allowable price changes and actual price changes in previous price control years. If Sure chooses not to increase prices by as much as permitted under the price cap in a price control year, the difference will be transferred as carryover from the current price control year into the next price control year. There is no requirement to use carryover of this nature (that is, carryover that would allow Sure to increase prices) within the next price cap year and all or some of that carryover may be carried over into subsequent price cap

years. Similarly, if Sure fails to comply with the price cap in a price control year the difference will transfer to the following price control year, although in this case the extent of that carryover will be subject to a materiality threshold to ensure price cap compliance is met.⁵ By definition carryover is zero in the first price control year 2016. Any unused carryover – whether positive or negative - remaining at the end of the price cap in December 2019 cannot be carried forward to any subsequent price cap that may be applied.

Cost pass-through Y

d. A cost pass-through factor $Y_{(t-1)}$ allows Sure to pass through electricity cost changes that are outside its direct control.

At the end of a price control year, the price paid for electricity during that year is compared to the price in the year preceding the price control year. The difference in price shall be expressed as a fraction $y_{(t)}$:

$$y_{(t)} = (p_{(t)} - p_{(t-1)}) / p_{(t-1)} \quad [8]$$

Note 8: Within year price changes should be dealt with using the methodology set out in section E below.

Note 9: If cost pass-through was allowed for more than one input, then price changes for each input would need to be weighted according to the relative expenditure on each input.

Part of any change in electricity prices faced by Sure is already accounted for by the inclusion of RPI inflation in the price cap formula. In order to reflect this, a fraction $Y_{(0,t-1)}$ representing the contribution of electricity costs to operating costs attributed to regulated revenues, relative to the weight assigned to electricity prices in RPI, will be calculated as follows:

$$Y_{(0,t-1)} = (1 - RPIW_{(t-1)}) / ROCW_{(t-1)} \quad [9]$$

Where:

$RPIW_{(t-1)}$ = the percentage weight assigned to electricity costs in calculation of RPI in the period t-1 (to be provided by FIG)

$$ROCW_{(t-1)} = EC_{(t-1)} / OC_{(t-1)}$$

$EC_{(t-1)}$ = Electricity costs incurred by Sure in period t-1 attributed to price cap regulated services

$OC_{(t-1)}$ = Total operating costs incurred by Sure in period t-1 attributed to provision of price cap regulated services

Note 10: The methodology for apportioning electricity and broader operating costs between price cap regulated and non-price cap regulated services is set out in the MS Excel Workbook.

Cost pass-through shall be expressed as:

⁵ Chapter 5 sets out what may be termed a 'material' breach of compliance and proposes a way for identifying such an eventuality.

$$Y_{(t)} = y_{(t,t-1)} \times Y_{(0,t-1)} \times EC_{(t-1)} / p_{t-1} q_{t-1} \quad [10]$$

which may be positive or negative. This figure represents the change in the cost of electricity to Sure (at the previous year's volumes), adjusted for the extent to which this change is reflected by the inclusion of RPI in the price cap formula, expressed as a proportion of the previous year's price cap regulated revenues.

In addition, the Regulator may require sight of data on the volume of space segment under contract with the satellite provider for the supply of regulated retail services, as well as the price actually paid for this.

Treatment of new services

29. New public telecommunication services introduced during the term of this price cap shall be excluded from the retail price control applying between 1 January 2016 and 31 December 2019, unless a service:

- is deemed to be a replacement for service listed in Annex A, or
- where it is not a replacement for a service in Annex A it contributes more than five per cent of net regulated revenue (this includes revenues from broadband packages and broadband data boosters, in addition to price cap regulated services) over four consecutive quarters (measured on a moving average basis).

30. Note that this does not affect the application of the Broadband Obligation to broadband data boosters, which will be regulated according to that obligation regardless of the level of revenues that they generate.

31. The introduction of 4G/LTE data services will be treated as new services whether they are introduced as data only mobile broadband services, or as part of a mobile telephone package, which may combine different combinations of voice, SMS and 4G/LTE data services.

32. For the purposes of the 5% threshold test, all mobile packages including 4G/LTE data will be taken together as one service, as will all data only mobile broadband services. For example, if Sure were to introduce three mobile packages including 4G/LTE data, and each of these contributed 2% of regulated revenues over a four quarter period, then the test would be passed and all mobile packages including 4G/LTE data would enter the price cap.

33. In the case of inclusion of new services in the price cap, this shall occur in the price control year following that in which its revenue exceeds the 5% threshold test. Therefore the earliest price control year in which a new service may be included in the price cap is 2017.

Treatment of mobile telephone packages

34. Mobile telephone packages, which offer consumers a monthly allowance of each of a set of mobile telephone services at a fixed monthly price, present some challenges for price cap regulation. In essence, this is because there is no obvious means to judge the value of a particular set of allowances to consumers, and so how this value is affected by changes in allowances. Simply regulating the headline price of a package regardless of its contents would not meet the objectives of a price cap. On the other hand, Sure should be given flexibility to offer packages that meet changing consumer demands. This is particularly

important where new services – such as 4G/LTE data services – are being introduced to the Falkland Islands’ market for the first time and customer demand and preferences are yet to be fully determined.

35. The following method of regulating mobile telephone packages within the retail price cap is adopted:

The cost and price of different types of traffic

In relation to changes in price or volume(s) for existing price-controlled mobile packages, the relative weight of the different components of the package will be calculated in terms of the network data usage basis – used as a proxy for value of each component. This uses per Mb data profiling to produce weightings for different types of traffic using Sure’s IP network.

This data profiling results in the following weightings for each type of traffic:⁶

Voice traffic	[$\frac{1}{3}$] Mbs per minute
Texts	[$\frac{1}{3}$] Mbs per SMS
Data	[$\frac{1}{3}$] Mb per Mps

Using the above weightings, the theoretical maximum total Mb bandwidth used to provide a particular mobile bundle can be calculated. Any changes to a package – due to changes in the inclusive allowance of one or more components of that bundle (and/or a change in the price of the package) – will result in changes to the price per Mb of the total theoretical Mb bandwidth. The new total Mb bandwidth of a package can be compared against the original value of total Mb bandwidth to produce a new price per Mb (referred to as the Price Cap Offset). The Price Cap Offset plus the price of the new bundle will represent the Flexed Revenue, which is the actual revenue that will be taken into account for price control purposes, (subject to any caps on allowances that qualify for price cap credit as explained below).

Worked examples of the mechanics of this approach are shown in Annex C.

Caps on allowances that will count for price control purposes

To avoid the scenario where Sure offers increases to allowances that are beyond that which customers would value but which would have the effect of easing price cap compliance, Sure will only get price control credit for increases to allowances up to 50% of existing allowances in any one year.

For example, if a package originally contained 100 minutes of voice traffic and 100 minutes of SMS and Sure were to increase each of those allowances to 150 minutes, for the same price, this would be an effective price reduction and Sure would get full credit for this

⁶ See Annex C for sources of data profiling results

reduction within the price cap. If however, Sure were to increase those allowance to 1,000 minutes each, there would be no price cap credit for the incremental 850 minutes.

An exception to this 50% limit may be made where Sure can demonstrate to the regulator that customers will benefit from providing allowances in excess of the agreed cap, in which case full credit for the increased allowance will be given. The Regulator would need to see suitable evidence that the change would benefit consumers.

No cap will apply to the price cap impact of a decrease in allowances within a package.

Changes to existing packages and introduction of new packages

- a. Sure will be at liberty to amend the price of mobile telephone packages, and these price changes would have implications for compliance with the price cap in the same way as changes in prices for any price cap regulated service, subject to the provisions on the value of different types of traffic and caps on allowances for price cap purposes as outlined above.
- b. Sure will be allowed to withdraw any mobile phone package from sale to new customers, or to customers that have reached the end of their contract period. Sure will not be allowed to withdraw any mobile phone package to any customer that is still within their contract period for that package. For the avoidance of doubt, once that contract period ends, the customer will not be entitled to renew their contract for a further period on that same package if Sure has decided to withdraw that package from sale.

New packages – promotional packages and permanent packages

- c. Sure may introduce new mobile phone packages as promotional packages for a period not exceeding four months. Whilst a package is classified as a promotional package it will not qualify for price compliance purposes. Customers that buy promotional packages will only be entitled to receive the package for the length of the promotion.
- d. Sure will not be obliged to make any promotional package a permanent offering and will be entitled to close a promotion to new customers at any time.
- e. If a promotional package does become a permanent offering it will count for price cap compliance purposes at the point that it becomes a permanent offering (if the new service test, where applicable, has been passed). The value of that package will be calculated in terms of data profiling as outlined in paragraph 35, and subject to the cap on allowances that count for price control compliance purposes as outlined in paragraph 35.
- f. Although promotional packages do not have a direct impact on price cap compliance, revenues derived from promotional packages will be taken into account in applying the new service test. In determining the starting price for a new service if and when it does enter the price cap, promotional packages will be ignored, and only the prices of packages offered on a permanent basis will be taken into account.
- g. For the avoidance of doubt, Sure must inform the Regulator in writing at least seven days prior to the introduction and the termination of any temporary promotional packages.

Treatment of within year price changes: guidelines

36. The following provides guidance on the treatment of multiple price changes for a regulated service within one price control year. The adjustment explained below is intended to have the effect that the allowable revenue Sure accrues as a result of individual tariff changes during a price control year are no more than that which would have accrued had all of those tariff changes been made at 1 January in the same year. No allowance is made for the time value of money.
37. The method is illustrated by way of example. Suppose that the price for a price cap regulated service is £0.90 as of January 1 2016, and falls to £0.75 on June 1 2016. The average price used to compute the value shall be:

$$D \times £0.90 + (1 - D) \times £0.75$$

Where D is the elapsed proportion of the price control year, calculated as the date on which the change in charges takes effect. It is expressed as a numeric entity on a scale ranging from 1 January = 0 to 31 December = 364, divided by 365. In the case of a leap year (as in 2016) it is calculated as the date on which the change in charges takes effect, expressed as a numeric entity on a scale ranging from 1 January = 0 to 31 December = 365, divided by 366. Hence for the new price £0.75 introduced on 1 June 2016 the value of $D=152/366=0.42$ rounded.

Therefore the price for the regulated service in the price control year is calculated as $0.42 \times £0.90 + 0.58 \times £0.75 = £0.81$ rounded.

Review of the price cap

38. The period of this price cap has been set at four years to reflect the challenge in forecasting developments on both supply and demand sides.
- On the supply side, the telecommunications sector is characterised by rapidly evolving technology and the introduction of new services. International capacity and satellite links is particularly relevant for the Falklands; both in terms of the technologies employed and in terms of the significant reduction in effective price for data that has been observed and is expected to continue in the future.
 - On the demand side, changes in the size of the consumer base are difficult to predict, as is their usage of existing and new services.
39. A review of the price cap will be completed by the end of April 2019 in order to inform a revised price cap that will commence on 1 January 2020 (i.e. at the conclusion of this price cap). Any revisions to the price cap will need to take account of conditions expected at and beyond January 2020. In other regulated markets with a price cap arrangement (e.g. water supply in the UK), this would be conducted and enforced by an independent regulator (e.g. OFWAT) based on an assessment of costs, necessary investments and projected revenues.
40. This review will be conducted by an independent, objective third party. To ensure the independence of the review, it will be jointly commissioned by the Regulator and Sure but will be funded by the Regulator. Broadly speaking the primary terms of reference for the review will cover, inter alia:
- A technical appraisal of telecommunications infrastructure and services on the Falkland Islands and investment requirements to meet consumer needs

- A review of the effectiveness of this price control regime in meeting the policy objectives set out in the Communications Ordinance (2017)
- A review of international capacity and satellite link and recommendations for the future
- A recommendation on a suitable price cap regime from 1 January 2020 based on an assessment of future costs, revenues and profits for regulated telecommunications services on the Falkland Islands and on forecast evolution of market conditions on the Islands

41. Neither the Regulator nor Sure will be bound by the recommendations of the independent review, but agree that the evidence base and findings of the review will inform discussions on a revised price cap for the period from 1 January 2020 onwards.

Chapter 3: Broadband Obligation

Broadband Package Prices and Data Allowances

42. The biggest single priority for FIG through the negotiations with Sure during 2015 on a new telecommunications licence and price cap mechanism has been increasing broadband data and line speed. More specifically, to ensure that consumers experience significant increases in broadband allowances at the commencement of – and throughout – the period of a future licence at a price that is fair and affordable; without materially increasing the overall cost of other telecoms services.
43. Sure shall provide increases to data allowances on all broadband packages at specified dates.⁷ These increases are detailed in Table 1. During the period of the price cap (i.e. until January 2020) the monthly price to customers will not be increased.

Package	Starter	Lite	Bronze	Silver	Gold	Platinum
<i>Previous name</i>	<i>Residential Bronze</i>	<i>Residential Silver</i>	<i>Residential Gold</i>	<i>Business Bronze</i>	<i>Business Silver</i>	<i>Business Gold</i>
Price	£15	£37	£75	£180	£300	£425
June 2016 Data Quota (GB)	1.5	4.5	9	22.5	37.5	52.5
Jan 2017 Data Quota (GB)	2	6	12	30	50	70
July 2018 Data Quota (GB)	3	9	18	45	75	105
July 2019 Data Quota (GB)	3.15	9.5	19	47	79	110

Table 1: Broadband Obligation – Data Allowances

⁷ The increases in data allowances are minimum increases (i.e. Sure may decide to increase packages by more than stated) and the dates are the latest point at which the increases would apply.

44. This broadband obligation is discrete from the basket of services that form the weighted average change in the price cap and does not count towards the compliance arrangements described in Chapter 2. Should Sure elect to increase data allowances further or faster than laid out in Table 1, this would not confer any benefit in terms of carry over credit for the price cap.
45. As part of the negotiated agreement with Sure, the introduction of a facility for broadband consumers to purchase additional data during a month was agreed. This facility – referred to by Sure as a ‘data booster’ – will be implemented within six months of the licence Commencement date and will offer out-of-package data at 1GB, 3GB and 5GB bundles with a fixed price of £15 per GB. The price of these data boosters shall not be increased during the period of this price cap.

International Satellite Capacity Obligation and Line Speed

46. These increases in broadband allowance will be enabled through increases to the international capacity. The agreed increases are shown in Table 2.

	% change	Downlink Mbps	Uplink Mbps	Total Mbps
2015	-	68	18.6	86.6
Jan-16	150%	≥105	≥28	≥133
Commencement Date	200%	≥140	≥38	≥178
Jul-18	300%	≥210	≥58	≥268
Jul-19	325%	≥220.5	≥60.5	≥281

Table 2: Broadband Obligation – International Satellite Capacity

47. As international capacity is increased, line speed for consumers will also be increased in line with the speeds stated in Table 3.

	Starter down/up	Lite down/up	Bronze-Silver-Gold-Platinum down/up
2015	512Kbps / 128Kbps	1Mbps / 256Kbps	2Mbps / 256Kbps
Jan-16	1Mbps / 256Kbps	2Mbps / 333Kbps	3Mbps / 333Kbps
Commencement Date	1Mbps / 256Kbps	2Mbps / 333Kbps	4Mbps / 768Kbps
Jul-18	1.28Mbps / 256 Kbps	2.56Mbps / 333 Kbps	5Mbps / 768Kbps
Jul-19	1.35Mbps / 256 Kbps	2.68Mbps / 333 Kbps	5.25Mbps / 768Kbps

Table 3: Broadband Obligation – Line Speeds

Night time window

48. The night time window is defined as 0000 through to 0559 Falklands time in each 24 hour period. During this period data use will not be charged and inclusive data allowances are unaffected by use in this period. The night time window will be offered as a right until at least 1 January 2020. However, data use during this period will be subject to a 'fair use policy' that will be agreed between Sure and the Regulator to optimise the experience for the maximum number of consumers. It is expected that this fair use policy will evolve in response to shifting consumer usage.

Chapter 4: The MS Excel Workbook

50. Accompanying this document is (in Annex B) a MS Excel Workbook that operationalises the price cap. The Workbook is a 'live' document and will evolve as circumstances dictate. However, whilst minor modifications and refinements of the Workbook would be expected over the course of time, the structure and framework of the Workbook will adhere to the principles set out in this document.

51. The Workbook contains a number of worksheets which are described briefly below.

- Compliance statement – this sheet determines whether the price cap obligation has been met, based on data entered in the remainder of the Workbook.
- Individual service sheets – The Workbook contains a worksheet for each price cap regulated service. Monthly data on the price of each service and the volume sold should be entered in these sheets. The sheets covering mobile phone packages incorporate the specific methodology relating to those services outlined in paragraph 35 of this document.
- Cost pass through – This worksheet calculates the effect on the price cap obligation of changes in the price paid by Sure for electricity.
- New service test – This sheet calculates if and when services introduced during the term of the price cap reach the revenue threshold for inclusion in the price cap.

The Workbook also contains a number of ancillary sheets.

Chapter 5: Compliance Procedures

52. This chapter sets out the steps involved in the compliance process for the price cap and for the broadband obligation.

Price Cap

53. The first step in the process involves the completion by Sure and submission to the Regulator of the MS Excel Workbook containing the data needed to assess compliance, included in Annex B of this document. The final step in the process is written confirmation by the Regulator that Sure has complied with the price cap. Compliance is an annual process and the address for submission is: "Head of Regulatory Services, The Falkland Islands Government, Stanley, FIQQ 1ZZ". Submission may be made electronically to the appropriate email address. The Regulator shall acknowledge receipt of a submission within 2 working days.
54. Sure shall comply with the price cap outlined above and specified in the accompanying MS Excel Workbook. The compliance test necessitates Sure to complete and submit the entire MS Excel Workbook. The workbook will be populated with data for the relevant price control year. The sheets submitted to the Regulator will be reviewed on behalf of the Regulator by audit functions residing in FIG.
55. The test of compliance is set out on the worksheet "COMPLIANCE" for each price control year. Where it is indicated in the relevant cells that the test is positive (i.e. the letter "Y" appears in the two cells marked in Row I of the Compliance Form on the sheet), it shall be presumed by the Regulator that Sure has complied with the price cap.
56. If the Regulator does not query the submission within 28 days of the date of submission (the date being that marked on the submission cover letter and time stamped on the MS Excel Workbook submitted), compliance shall have occurred.
57. If the Regulator seeks verification of data within the sheets submitted as part of the compliance process or questions whether compliance has been met, the Regulator shall write to Sure within 28 days of the date of submission requesting clarifications from Sure.
58. If the Regulator is content with the clarifications provided and the "COMPLIANCE" worksheet meets the requirements of the compliance test, compliance shall have occurred. The Regulator shall write to Sure within 28 days of the letter sent to Sure mentioned in paragraph 59 that compliance has occurred for the relevant price control year.
59. Where the Regulator is not satisfied by the clarifications provided, it may apply statutory powers within the Communications Ordinance to request further information from Sure.
60. If following the disclosure of further information requested under provisions in the Ordinance causes the Regulator to doubt whether the compliance submission is acceptable, he must set out detailed reasoning in a written statement as to why this is the case. In this case the Regulator may order by Direction that Sure take appropriate measures to amend the compliance submission and/or vary tariffs to remedy a breach of compliance.

61. Where compliance is not achieved and is shown in the relevant cells as “N” in the worksheet marked “COMPLIANCE”, the Regulator will exercise discretion and accept the submission if the failure is less than 10% of the allowable regulated revenue change shown in Row G of the Compliance Statement. If Row I in the Compliance Statement shows “N” it will trigger the Discretion Test in Row I1. Discretion will allow a breach of up to 10% of the allowable regulated revenue change and carry this forward to the following price control year.⁸ In the written response to Sure the Regulator should make clear that compliance occurs on a discretionary basis.
62. If the submission shows “N” in both the Compliance Test and the Discretion Test, Sure would be deemed to have failed to comply with the price cap. In these circumstances, the Regulator shall apply penalties in accordance with the statutory powers.
63. Sure shall submit the statement of compliance no later than three months after each full year of the application of the price cap in a price control year. A compliance statement shall apply to the tariffs of regulated services in the twelve months of the previous price control year. For the sake of clarity, the price control years and respective compliance statement deadlines are shown in Table 4.

Price Control Year	Price Control Period	Compliance Statement Deadline
One	1 Jan 2016 – 31 Dec 2016	1 July 2017
Two	1 Jan 2017 – 31 Dec 2017	1 April 2018
Three	1 Jan 2018 – 31 Dec 2018	1 April 2019
Four	1 Jan 2019 – 31 Dec 2019	1 April 2020

Table 4: Price Control Years and Compliance Statement Deadlines

64. If a submission is not received by the compliance statement deadline the Regulator will write to the licensee requesting clear reasoning and submission details to ensure compliance within the allowable three months. If no submission is received within that period the Regulator will seek to apply penalties in accordance with his statutory powers.
65. Annex D contains further details of the mechanics of the Excel Workbook for calculation and submission of compliance statements.

⁸ Using the carry-over parameter within the price cap formula

Broadband Obligation

66. Sure will confirm to the Regulator in writing whether or not they have met each component of the broadband obligation within one month of that component of the obligation coming due. Should they fail to meet any component of the obligation, the Regulator will seek to apply penalties in accordance with his statutory powers unless he judges there are extenuating circumstances.

Annex A: Regulated Services in the Price Cap and the Starting Prices in Price Control Year 2016

Starting prices shall be those for the regulated services supplied by Sure South Atlantic at 1 January 2016, except broadband services where the starting price are those supplied at 1 April 2016.

Service	Starting Price	Unit of measurement
Fixed telephone services		
New telephone Installation Fee	£200.00	Number of new lines
New Activation of Telephone Line	£50.00	Number of activations of lines
Standard monthly charge (residential)	£8.00	Monthly number of residential subscriptions
Standard monthly charge (business)	£20.00	Monthly number of business subscriptions
Subscriber over 64 monthly charge	£5.00	Monthly number of subscribers over 64
National Calls (Landline-Landline)	£0.06 per minute	Total Minutes
National Calls (Landline-Mobile)	£0.10 per minute	Total Minutes
International Calls (to UK standard rate)	£0.90 per minute	Total Minutes
<u>International Calls (to UK off-peak rate[1])</u>	£0.60 per minute	Total Minutes
International Calls (to Rest of World standard rate)	£1.00 per minute	Total Minutes
International Calls (to Rest of World off-peak rate)	£0.80 per minute	Total Minutes
Local Directory Inquiry charge	10p per minute	Total Minutes

Pre-Paid Phone Card telephone services		
National Calls (Landline-Landline)	£0.06 per minute	Total Minutes
National Calls (Landline-Mobile)	£0.10 per minute	Total Minutes
International Calls (to UK standard rate)	£0.99 per minute	Total Minutes
<u>International Calls (to UK other rate[2])</u>	£0.80 per minute	Total Minutes
International Calls (to Rest of World standard rate)	£1.10 per minute	Total Minutes
<u>International Calls (to Rest of World other rate[3])</u>	£0.99 per minute	Total Minutes
Mobile Telephone services		
Set up fee (Premium)	£30.00	Monthly number of set-up Premium (not upgrades from PAYG)
Set up fee (Pay As You Go) including £10 credit	£30.00	Number of set-ups
Pay As You Go data charges	£0.12 per MB	MBs
Premium 25 (Post Paid) monthly fee	£25.00	Monthly number of subscriptions
Premium 25 (more than 6 packages on one account)	£19.99 each	Monthly number of subscriptions
Premium 25 data package overage charge	£0.12 per MB	MBs
Premium 40 (Post Paid) monthly fee	£40.00	Monthly number of subscriptions
Premium 40 (more than 6 packages on one account)	£34.99 each	Monthly number of subscriptions
Premium 40 data package overage charge	£0.11 per MB	MBs
Premium 60 (Post Paid) monthly fee	£60.00	Monthly number of subscriptions

Premium 60 (more than 6 packages on one account)	£54.99 each	Monthly number of subscriptions
Premium 60 data package overage charge	£0.10 per MB	MBs
National calls (Premium)	£0.10 per minute	Minutes exc. 120 minutes per account bundled per month
National calls (Pay As You Go)	£0.15 per minute	Minutes
International calls (Premium)	£0.80 per minute	Minutes
International calls (Pay As You Go)	£0.90 per minute	Minutes
SMS national	£0.10 per message	Number of messages exc. bundled national text allowance per month
SMS international	£0.25 per message	Number of messages
MMS national	£0.30 per message	Number of messages
MMS international	£0.40 per message	Number of messages
WiFi access services		
WiFi phonecard charge	£0.10 per minute	Minutes
Price cap regulated broadband services		
Broadband installation fee	£20.00	Account set ups
Overage – Starter	£0.10 per MB	MBs
Overage – Lite	£0.09 per MB	MBs
Overage – Bronze	£0.08 per MB	MBs

Overage – Silver	£0.07 per MB	MBs
Overage – Gold	£0.06 per MB	MBs
Overage – Platinum	£0.05 per MB	MBs
<u>[1] Off-peak times: 6pm-6am Monday to Thursday; 6pm Friday to 6am Monday.</u>		
<u>[2] Other rate times: Weekends, Public Holidays, 6pm-Midnight Weekdays</u>		
<u>[3] Other rate times: Weekends and Public Holidays.</u>		

Table 5: Services in the price cap and starting prices

Annex B: MS Excel Workbook

Attached to electronic copy and confidential

Annex C: Example of approach to calculating value of mobile packages

[X]

Annex D: Mechanics of Compliance Submission in Excel Workbook

Some extracts from the MS Excel Workbook to be used for compliance purposes are presented here. These are for illustrative purposes only and may not reflect the content of the Workbook finally agreed on by FIG and Sure.

The compliance statement determines whether the price cap obligation has been met, based on data entered in the remainder of the compliance submission.

COMPLIANCE STATEMENT					
Price Control Year 1 – 1 January 2016 to 31 December 2016					
STEPS	WORKINGS	VALUE	FIG CHECK	SURE CHECK	
A	RPI	FROM "RPI" SHEET	-0.3%		
B	'X'	GIVEN	0.0%		
C	RPI – X	A – B	-0.3%		
D	CARRYOVER	GIVEN	0		
E	CONTROLLING PERCENTAGE	C + D	-0.3%		
F	TOTAL 2015 PRICE CAP REGULATED REVENUE	VALUE FROM SHEETS	-		
F1	COST PASS THROUGH	COST PASS THROUGH SHEET/ DATA SUMMARY SHEET	-		
G	MAXIMUM ALLOWABLE REVENUE CHANGE ON 2015 VALUES	(E x F) + F1	#VALUE!		
H	REVENUE CHANGE ON REGULATED SERVICES BASED ON IMPLIED 2015 VOLUMES	VALUES FROM SHEETS/ DATA SUMMARY SHEET	#REF!		
I	COMPLIANCE TEST	IS H<G?	Y/N	#REF	#REF
I1	DISCRETION TEST	If Row I contains "N" exercise discretion if violation is less than 10% of regulated revenue change in Row G and carryover	Y / N/ NA	#REF	#REF
J	REGULATED REVENUE CHANGE	F + H	#VALUE!		
K	PERCENTAGE CHANGE IN REGULATED REVENUE	$[(J - (F+F1))/(F+F1)] \times 100$	#VALUE!		
K1	IF COMPLIANCE TEST SHOWS "N" AND DISCRETION TEST SHOWS "Y" REDUCE CARRYOVER	$[(H - G)/G] \times 100$ OR "0"	#REF!		
L	CARRYOVER TO 2017	E – K – K1	#VALUE!		

The Workbook includes a tab for each price cap regulated service. Each tab must be completed with data on prices charged and usage levels of each service. The revenue change from that service, based on the previous year's revenues, is then calculated.

Price Control Year 1 – Mobile setup						
2016						
SERVICE	I 1 JANUARY 2016 STARTING VALUE £	II 2016 AVERAGE PRICE £	III % CHANGE I & II	IV 2015 REGULATED REVENUE £	V ALLOWABLE REVENUE = III x IV £	
Set up fee (Premium)	-	-	#VALUE!	Input value cell E30	#VALUE!	
Set up fee (Pay As You Go) including £10 credit	-	-	#VALUE!	Input value cell H30	#VALUE!	
TOTAL					#VALUE!	
Regulated Mobile Postpaid Services Monthly Record 2016						
Month	Set up fee (Premium) £	Number of new Premium accounts	2016 Revenue new Premium accounts £	Set up fee (Pay As You Go) £	Number of new Pay As You Go accounts	2016 Revenue new Pay as You Go accounts £
Jan-16	-	-	#VALUE!	-	-	#VALUE!
Feb-16	-	-	#VALUE!	-	-	#VALUE!
Mar-16	-	-	#VALUE!	-	-	#VALUE!
Apr-16	-	-	#VALUE!	-	-	#VALUE!
May-16	-	-	#VALUE!	-	-	#VALUE!
Jun-16	-	-	#VALUE!	-	-	#VALUE!
Jul-16	-	-	#VALUE!	-	-	#VALUE!
Aug-16	-	-	#VALUE!	-	-	#VALUE!
Sep-16	-	-	#VALUE!	-	-	#VALUE!
Oct-16	-	-	#VALUE!	-	-	#VALUE!
Nov-16	-	-	#VALUE!	-	-	#VALUE!
Dec-16	-	-	#VALUE!	-	-	#VALUE!
Annual values	-	-	#VALUE!	-	-	#VALUE!
Regulated Mobile Postpaid Service Revenue 2015						

The new service test sheet calculates when a new service meets the revenue threshold and enters the price cap.

New Service Test Sheet

Years 2016-2019

SERVICE	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4
NS1 = NEW SERVICE 1 REVENUE	£0.00	£0.00	£0.00	£0.00	#VALUE!	#VALUE!	#VALUE!	#VALUE!	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
NS2 = NEW SERVICE 2 REVENUE	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
REGULATED SERVICE REVENUE	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
ROLLING FOUR QUARTER AVERAGE INCLUSION TEST NS1				#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
ROLLING FOUR QUARTER AVERAGE INCLUSION TEST NS2				#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!

NEW SERVICES Monthly Record 2016							QUARTER REVENUE NS1 £	QUARTER REVENUE NS2 £
Month	NEW SERVICE 1 PRICE £	VOLUME	2016 Revenue NEW SERVICE £	NEW SERVICE 2 PRICE £	VOLUME	2016 Revenue NEW SERVICE £		
Jan-16	-	-	£0.00 -	-	-	#VALUE!		
Feb-16	-	-	£0.00 -	-	-	#VALUE!		
Mar-16	-	-	£0.00 -	-	-	#VALUE!	£0.00	#VALUE!
Apr-16	-	-	£0.00 -	-	-	#VALUE!		
May-16	-	-	£0.00 -	-	-	#VALUE!		
Jun-16	-	-	£0.00 -	-	-	#VALUE!	£0.00	#VALUE!
Jul-16	-	-	£0.00 -	-	-	#VALUE!		
Aug-16	-	-	£0.00 -	-	-	#VALUE!		
Sep-16	-	-	£0.00 -	-	-	#VALUE!	£0.00	#VALUE!
Oct-16	-	-	£0.00 -	-	-	#VALUE!		
Nov-16	-	-	£0.00 -	-	-	#VALUE!		
Dec-16	-	-	£0.00 -	-	-	#VALUE!	£0.00	#VALUE!
Annual values	£0.00	-	£0.00 -	-	-	#VALUE!		

SCHEDULE 4
EXIT PROVISIONS

[✂]