

**DRAFT**  
**TELECOMMUNICATION SERVICES RETAIL TARIFF REGULATIONS,**  
**2015**

In exercise of the powers under section 5 (2) (o) read with section 26 of the Pakistan Telecommunication (Re-organization) Act, 1996 (Act XVII of 1996), the Authority hereby makes the following Regulations, namely:

**PART-I**  
**PRELIMINARY**

**1. Short Title, and Commencement.-** (1) These Regulations shall be called the "Telecommunication Services Retail Tariff Regulations, 2015".

(2) These Regulations shall come into force from the date of gazette notification.

**2. Scope and Applicability.-**(1) These regulations shall apply to all licensees with respect to the level of tariffs which are levied and charged for telecommunication services to consumers/subscribers with the following objectives:

- a) To provide a degree of pricing flexibility and stability compatible with safeguarding and protecting the interests of consumers;
- b) To ensure tariff is set at a level which takes into consideration the cost of provision of telecommunication services;
- c) To ensure that there shall be no cross-subsidization of other telecommunication services by basic telephone service;

**3. Definitions.-** (1) In these Regulations, except where context requires otherwise:-

- (a) "**Act**" means the Pakistan Telecommunication (Re-organization) Act, 1996;
- (b) "**Authority**" means three members Authority of PTA.;
- (c) "**Categories of Services**" for the purpose of these Regulations shall mean the Services, as mentioned in Schedule -A to these Regulations;
- (d) "**Consumer**" means any natural or juristic person who is an actual or potential user of publicly available telecommunication Services from an Licensee/ Operator and not the reseller of such Services;
- (e) "**Emergency Services**" means Services that include police, fire brigade, ambulance services or other services as declared by the Authority as emergency service;
- (f) "**Operator**" means a license holder authorized by the Authority to

establish, operate and maintain the telecommunication systems and to provide Service(s);

- (g) **"Non-SMP Operator"** means an Operator who is not an SMP Operator as determined by the Authority;
- (h) **"Operator Assistance Services"** means Services which are essential for provision of Services as mentioned in Schedule A and for which the Consumers are dependent on Operators;
- (i) **"PTA"** means the Pakistan Telecommunication Authority established under section 3 of the Act;
- (j) **"Premium Rate Services"** means Services that provide recorded information or live conversation to Consumers and are charged at a higher rate than normal Tariff, under categories notified in Schedule - A to these Regulations;
- (k) **"Regulations"** means all or any regulations issued by the Authority under provisions of the Act, including these Regulations;
- (l) **"Rules"** means Rules made by the Federal Government under section 57 of the Act;
- (m) **"SMP Operator"** means an operator determined by the Authority as significant market power operator in any relevant retail market in accordance with the provisions of the Rules;
- (n) **"Tariff"** means the price, rates, charges, for provision of Telecommunication Services being provided to Subscriber/ Consumers through any means of commercial practices including but not limited to various packages / promotions / schemes;
- (o) **"Telecommunication Service(s)"** means a Service consisting of the emission, conveyance, switching or reception of any intelligence within, or into, or from, Pakistan by any electrical, electro-magnetic, electronic, optical or optio-electronic system, whether or not the intelligence is subjected to re-arrangement, computation or any other process in the course of the Service;
- (p) **"Value Added Services"** means those Services which are not Basic Services, Operator Assistance Services, Directory Inquiry Services, Emergency Services and Premium Rate Services and which the Licensee is not obliged to provide, but may provide, to end-users under its respective license;
- (q) **"Basic Service(s)"** means Services which are authorized by their respective license and are specified/ categorized in Schedule -A;
- (q) **"Licensee"** means the grantee or holder of a license;
- (r) **"Subscriber"** means any natural or legal person who is party to a contract with the provider by publicly available telecommunication service for the supply of such service.

(2) Words and expressions used herein but not defined shall have the same meaning as are assigned to them in the Act.

## PART II

### BASIC SERVICES

#### 4. **Tariff of Non-SMP Operators:**

- (1) Non-SMP Operators are free to set and revise their Tariff for Basic Services at any time and in any manner they like, provided they shall inform, the Authority about their proposed Tariff at least twenty (20) days and at least seven (7) days to the consumer, prior to proposed applicability of new Tariff:

Provided that the date of notification to the consumers shall commence after any modifications made by the Authority, if required.

- (2) The Authority may make modifications to or reject the proposed Tariff for Basic Services of Non-SMP Operators only where the Tariff is considered to be anti-competitive, unfair or burdensome.

Provided that:

- (a) the Authority on its own, or at the request of the affected Consumers may initiate enquiry to determine as whether any Tariff is anti-competitive or burdensome;
  - (b) the burden of proof shall be on the Licensees and they shall satisfy the Authority that the Tariff is not anti-competitive or burdensome;
  - (c) the Authority, while making decision, may make reference to cost of Licensee, affordability of Consumers, Tariff of other Licensee in similar circumstances, economic viability, or any other factor deemed appropriate by the Authority.
- (3) Tariff shall be considered to be anti-competitive if it results in:
    - a. price discrimination, meaning that the Licensee sets Tariff in such a way that it gives undue preference to a particular class of consumers in respect of the price or the accompanying non-price terms are differentiated, unless this can be justified by reference to differences in the expected level of underlying costs;
    - b. Cross-subsidization, meaning that the Licensee sets Tariff above cost for less competitive Services and sets Tariff below cost for more competitive Services;
    - c. Excessive pricing, meaning that the Licensee sets Tariff to such a level that is expected to significantly exceed the price level anticipated under competitive market conditions;
    - d. Margin squeeze, meaning that the Licensee sets Tariff to such a level that difference between the retail price and the price of the

- relevant corresponding wholesale Service is not sufficient for an efficient competitor to provide a competing Service;
- e. Predatory pricing, meaning that the Licensee sets Tariff at such a level that it is unjustifiably below the relevant measure of cost of providing the relevant Service;
  - f. Bundling or tying of Services in such a way that as a consequence of the bundling or tying, competition may be foreclosed, prevented, restricted or distorted;
  - g. Expected to prevent, restrict, lessen or distort competition in the market, in view of the Authority.

(4) Tariff shall be considered to be burdensome if:

- (a) Profit to the licensee is abnormally higher than the reasonable rate of return taking into account cost of operations;
- (b) The Tariff is considerably beyond the affordability level of intended Consumers.

(5) Licensee shall not introduce and/or increase any charges/ tariffs unilaterally, across the board in any form of service that results but is not limited to the following:

- (a) Cartelization
- (b) Against the spirit of competition;
- (c) In a decision mutually beneficial to licensees in a specific retail market.

(6) The Authority on its own, or at the request of affected parties may amend Licensee's existing tariffs, if it becomes anti-competitive or burdensome due to change in circumstances, after giving opportunity of hearing to the concerned Licensee.

## **5. Tariff of SMP Operators**

- (1) SMP Operators shall submit their written proposals complete in all respects for setting or revising Tariff for Basic Services to the Authority for approval at least thirty (30) days before intended launch of the proposed Tariff
- (2) The proposal shall be comprehensive, sufficiently detailed and unambiguous, clearly mentioning any discount, validity period or special conditions, duly supported with facts and figures including cost of provision of Service, Tariff of other Licensees, affordability

level of Consumers etc. and such other information as the Authority may require from the SMP Licensee.

- (3) The Authority shall review the proposal and convey its decision to the Licensee within twenty (20) days of its receipt. The date of seven (7) days notification to the consumers shall commence only after the approval date by the Authority.
- (4) In case the Authority requires any information from the Licensee, the time period mentioned at sub-regulation (3) above shall start from the receipt of desired information from the Licensee.
- (5) The Authority may approve, amend or reject the proposal or may require additional information from the Licensee:
  - a. If the Authority determines that the proposal is in compliance with these Regulations, it shall approve the proposal;
  - b. If the Authority deems it appropriate to amend the proposal to make it in line with these Regulations, it shall notify the approval of proposal subject to certain amendments.
  - c. If the Authority determines that the proposal is not in compliance with these Regulations, it shall refuse in writing by recording reason(s);
- (6) The Authority may decline the proposal or make amendments to the proposed Tariff if the proposed Tariff is considered to be anti-competitive or burdensome.

Provided that:

- (a) the Authority on its own, or at the request of concerned parties may initiate an enquiry to judge whether the proposed Tariff is anti-competitive or burdensome;
  - (b) the burden of proof shall be on the Licensee and the Licensee shall satisfy the Authority that the proposed Tariff is not anti-competitive or burdensome;
  - (c) the Authority, while making decision, may make reference to cost and profit margin of Licensee affordability of Consumers, Tariff of other Licensee in similar circumstances or any other factor deemed appropriate by the Authority.
- (7) Tariff shall be considered to be anti-competitive if it results in:

- (a) price discrimination, meaning that the Licensee sets Tariff in such a way that it gives undue preference to a particular class of consumers in respect of the price or the accompanying non-price terms are differentiated, unless this can be justified by reference to differences in the expected level of underlying costs;
  - (b) Cross-subsidization, meaning that the Licensee sets Tariff above cost for less competitive Services and sets Tariff below cost for more competitive Services;
  - (c) Excessive pricing, meaning that the Licensee sets Tariff to such a level that is expected to significantly exceed the price level anticipated under competitive market conditions;
  - (d) Margin squeeze, meaning that the Licensee sets Tariff to such a level that difference between the retail price and the price of the relevant corresponding wholesale Service is not sufficient for an efficient competitor to provide a competing Service;
  - (e) Predatory pricing, meaning that the Licensee sets Tariff at such a level that it is unjustifiably below the relevant measure of cost of providing the relevant Service;
  - (f) Abusive bundling or tying of Services, meaning that the Licensee bundles or ties Services in such a way that, as a consequence of the bundling or tying, competition may be foreclosed, prevented, restricted or distorted;
  - (g) Expected to prevent, restrict, lessen or distort competition in the market, in view of the Authority.
- (8) Tariff shall be considered to be burdensome if:
- (a) It is expected to give profit to the Licensee/ Operator, which is abnormally higher than the reasonable rate of return taking into account cost of operations;
  - (b) The level of proposed Tariff is considerably beyond the affordability level of intended Consumers.
- (9) The Authority on its own, or at the request of affected parties may amend, revoke or suspend a Licensee's Tariff, including the Authority's earlier approved Tariff, if it becomes anti-competitive or burdensome due to change in circumstances, after giving opportunity of hearing to the concerned Licensee.

## **6. Price Ceiling and Price Floor**

The Authority may set price/tariff ceilings and price/tariff floors for SMP and Non-SMP operators for their basic services, keeping in view the market situation.

### PART III

#### 7. OPERATOR ASSISTANCE AND DIRECTORY INQUIRY SERVICES

- (1) Licensees, who are required by the terms of their License or by applicable Regulations to provide Operator Assistance Services or Directory Inquiry Services, shall submit their written proposals for setting or revising Tariff for Operator Assistance Services (excluding help-line for complaint handling) or Directory Inquiry Services to the Authority for approval, in accordance with the license terms, at least thirty (30) days before intended applicability of proposed Tariff.
- (2) The proposal shall be comprehensive, sufficiently detailed and unambiguous, duly supported with facts and figures such as cost of provision of Service, Tariff of other Licensee, affordability level of consumers etc. and such other information as the Authority may require from the Licensees.
- (3) The Authority may decline the proposal or make amendments to the proposed Tariff if the proposed Tariff is considered to be burdensome.

Provided that:

- (a) the Authority on its own, or at the request of the concerned parties may initiate the enquiry to judge whether the proposed Tariff is burdensome;
  - (b) the burden of proof shall be on the Licensee and the Licensee shall satisfy the Authority that the proposed Tariff is not burdensome;
  - (c) the Authority, while making decision, may make reference to cost and profit margin of Licensee, affordability of Consumers, Tariff of other Licensee in similar circumstances, economic viability or any other factor deemed appropriate by the Authority.
- (4) The Licensee shall provide access to a dedicated help-line service for complaint handling to their Consumers free of cost.

#### PART IV

##### **8. EMERGENCY SERVICES**

- (1) All Licensees, who are required under the terms of their License to provide access to Emergency Services, shall provide their Consumers access to Emergency Services, without any charge.

#### PART V

##### **9. VALUE ADDED SERVICES**

- (1) The Licensee are free to set and revise their Tariff for Value Added Services at any time and in any manner they like, provided that they shall inform the Authority about their proposed Tariff at least twenty (20) days and at least seven (7) days to the consumers, before the applicability of new Tariff.

Provided that the date of notification to the consumers shall commence after any modifications made by the Authority , if required.

Provided that the Fixed-line/Mobile/Wireless Licensees shall offer Premium Rate Services to Consumers within the price ceilings notified by the Authority from time to time.

- (2) The Authority may make modifications to or reject the proposed Tariff for Value Added Services only where the tariff is considered to be anti-competitive or burdensome as defined for the Tariffs of Non-SMP Operators for Basic Services in Section 4.

#### PART VI

##### **10. PUBLICATION OF TARIFF**

- (1) All Licensees shall comply with all requirements regarding publication of prices/tariffs, terms and conditions, notifications and display of information as established by the Authority from time to time, in case of value added services/ packages such tariff information shall include subscription charges for the given duration (e.g. daily, weekly monthly etc.) along with per SMS charges, with taxes reflected separately, along with a date of expiry of any given value added services.



- (2) The Licensees shall ensure that all Tariff information is complete, clear and simple to understand.
- (3) The Licensees shall use clear formats, with appropriate font type and font size, in their publications, advertisements and website for the presentation of their Tariff.
- (4) No part of the advertisement, publication, brochure etc. particularly those related to service offerings and the tariffs shall be in micro fonts. Other than heading for which the font can be as big as licensee want , all the remaining text shall be in one uniform text.
- (5) The Tariff publications and Tariff advertisements shall disclose all material information which is likely to influence the decision of a Consumer in a transparent and unambiguous manner.
- (6) All Licensees shall give their Consumers prior notice of at least seven (7) days in a clear manner, of the following events either individually or by publishing the relevant information, or by both means, prior to:
  - (a) Any price increase; or
  - (b) Any change that may cause a price increase or that may have an effect that is equivalent to price increase; or
  - (c) Any change in the terms and conditions of the Service.
- (7) The obligation, mentioned in sub-regulation (6) above, shall not be applicable in the event of Tariff decrease and any Tariff decrease shall become effective without prior notification to the Consumer, subject to compliance with approval requirements from the Authority under the Regulations.
- (8) The Licensees shall disclose, by publishing on its website, the Tariff for any new Service no later than the date on which that Licensee/ Operator begins to provide such Service.
- (9) All Licensees shall maintain on their website updated details of the Services that they provide to the public, the Tariff, inclusive of taxes, that they charge for these Services and the charging methods, as well as a copy of their standard terms and conditions duly approved by the Authority, for every Service.
- (10) If a Licensee does not publish all and complete Tariff details, inclusive of taxes reflected separately as well, in a specific publication or format, the Licensees shall indicate an alternative

reference where the full set of information can be obtained without charge.

- (11) The Licensees shall not describe a package as being 'unlimited' if there is a limit to the number of calls, minutes, data volume etc being used.
- (12) The Licensees shall not describe a package as being 'free' if there are any charges attached to that package.
- (13) The Licensees shall clearly advertise and publish all terms and conditions relating to limited-time Tariff promotions including eligibility criteria, start and end dates, validity period, credit and usage, and any other relevant information.
- (14) The Licensees shall explicitly announce the applicable Tariff of premium rate call through interactive voice response service etc. and shall connect the call only after seeking consent of Consumer.
- (15) The Licensees shall clearly mention the validity period of Tariff, credit or usage indicated in any publication related to the Tariff.

#### **11. Misleading Tariff Publications**

- (1) The Licensee/ Operators shall not use misleading statements when publishing Tariff with an objective of misleading Consumers.
- (2) Tariff publications or Tariff advertisements shall be treated as misleading in the following circumstances:
  - (a) If the advertised call rate unit is different from the actual call rate unit; or
  - (b) If only the reduced call rate is advertised without highlighting the call set-up charge or higher charge on initial call(s); or
  - (c) If a reduced rate is advertised without mentioning that such reduced rate is applicable only after some usage; or
  - (d) Using titles which suggest absence of rentals in a Tariff package whereas in reality there is a recurring fixed charge; or
  - (e) If only rate is mentioned without highlighting that the rate is applicable only for on-net usage; or
  - (f) Using titles such as "Unlimited" whereas there is a ceiling on usage either by way of fair usage policy or otherwise; or
  - (g) If a discounted rate is advertised without highlighting that this discounted rate is applicable only during specific time duration; or
  - (h) If a discounted rate is advertised without highlighting the fixed charge to be paid for availing such discounted rate; or

- (i) Advertising a Tariff package as “Free” without mentioning the ceiling on daily usage; or
- (j) If a discounted rate is advertised for making international calls without mentioning the countries or networks (i.e. fixed or mobile) for which such discounted rate is applicable; or
- (k) If a discounted rate is advertised without mentioning the validity period, where the discounted rate is available only for a specified period; or
- (l) If the Authority believes, taking into account the overall contents of the Tariff publication or Tariff advertisement, that it is misleading.

**12. International Roaming Services**

- (1) The Licensees shall upload latest Tariff for availing international roaming facility for each respective country as well as operator, on their website along with all other terms and conditions.
- (2) The Consumers shall also be informed through SMS, after selecting a particular Operator through manual or automatic method while roaming abroad, the applicable Tariff for each category of international roaming Service including incoming/outgoing calls, incoming/outgoing messages, data etc.
- (3) The Licensees shall not automatically activate all Services on international roaming that have been subscribed by a Consumer for domestic use and shall seek specific consent of the Consumer against each Service.
- (4) The Licensee shall inform exclusively the data tariffs while on roaming.

**13. Automatic Renewal**

- (1) The Licensees shall not activate automatic renewal of subscription based packages upon the expiry of that package, without soliciting explicit consent of the subscriber/consumer.
- (2) The Licensees shall inform Consumers when they are approaching 80% of their credit balance or credit limit of a package. The Licensee shall clearly mention the method through which the Subscriber/ Consumer can renew the package.
- (3) The SMS intimating subscription expiry shall include the rate of the service after expiry of the package limit.

**14. Monitoring the usage**

- (1) The Licensees shall provide their Consumers with an easy and practical mechanism through which they can monitor their usage of minutes, messages, bytes etc. in order to enable them to control the usage accordingly.

**15. Additional Information**

- (1) All printed, website or verbal Tariff presentations shall state relevant details and additional charges/surcharges applicable to the Tariff.
- (2) For printed presentations, the additional information shall be located beside the Tariff information in a comparable font size. This includes:
  - (a) the increments of time by which the Licensee/ Operator bills;
  - (b) minimum Call Charges and/or Call Set up charges;
  - (c) the Peak/Off Peak and Weekend times;
  - (d) On-net/ off Net; and
  - (e) any included Service minutes or credit.
- (3) Where a Licensee offers Tariff packages/ bundles with inclusive time or credit, all publications shall clearly set out the conditions under which added time or credit can be used. This shall include:
  - (a) the number of call types that are included or any call types such as off-net calls etc;
  - (b) calls that may be excluded from the Consumer's allowance;
  - (c) whether unused time or credit is carried forward to the next and subsequent billing periods;
  - (d) any expiry time for the credit;
  - (e) the time of day when inclusive time or credit can be used.

**16. Services with Free Trial Periods**

- (1) The Licensees shall not charge the Consumers for Services supplied on a free trial basis during the trial period.
- (2) The Licensees shall not charge the Consumers for Services supplied on a free trial basis after the end of the free trial period unless:
  - (a) the Licensee has notified the Consumers of the date on which the free trial period will end; and
  - (b) the Licensees has obtained the express consent of Consumers to continue the Service after the expiry of the free trial on the applicable Tariff notified to Consumers.
- (3) The above shall also apply for those services that are being offered free of cost as a means of promotion of subject to telecom services for a given period of time.

**17. Multiple Effective Dates of Tariff**

- (1) If a Licensee displays multiple Tariffs for a Service at the same time, then it shall charge that Service for the lowest displayed Tariff.
- (2) If a Licensee displays multiple effective dates for Tariff increase for a Service at the same time, then it shall charge the increased Tariff for that Service from the last displayed effective date.

**PART VII**  
**GENERAL**

**18. Consumers' Consent**

- (1) The Licensees shall not provide/enable/activate a chargeable Service or Tariff package to Consumers without their explicit consent.
- (2) The Licensees shall not charge for a Service, which was earlier free of charge, without explicit consent of Consumer.
- (3) The Licensees shall inform Consumers when they are approaching 80% of their credit balance or credit limit. In case a Service is intended to be extended beyond the credit balance or credit limit of the Consumer, explicit consent of Consumer shall be obtained.

**19. Categorization of Services**

- (1) The Categorization of the services shall be determined as provided in Schedule -A to these regulations provided that the Authority may review the Services, as and when required, and notify the same, keeping in view the nature of each Service.
- (2) In case the category of any Service is not clear, the Licensee shall seek clarification from the Authority and shall comply with the Regulations accordingly.

**Repeal and savings.**\_\_ The Fixed Line Tariff Regulations, 2004, are hereby repealed:

Provided that all orders, directives, notifications and/or actions under the Fixed Line Tariff Regulations, 2004 shall be deemed always to have been made, taken, issued lawfully and validly unless amended, withdrawn, rescinded, or annulled by a person or authority competent to do so under these Regulations.

**CATEGORIES OF RETAIL SERVICES****1. Local Loop Telecommunication Services:**

- a. Basic Services
  - i. Connection
  - ii. Line Rental
  - iii. Voice Calls
  - iv. Video Calls
  - v. Short Messaging Service (SMS)
  - vi. Internet / Broadband Services
  - vii. Any other basic services as determined by the Authority
- b. Operator Assistance Services
  - i. Balance Inquiry
  - ii. Help Line (other than Complaint Handling)
  - iii. Help Line for Complaint Handling
  - iv. Balance Reload
  - v. Provision of Bills
  - vi. Usage Monitoring
  - vii. Call to Directory Inquiry
  - viii. Any other assistance services as determined by the Authority
- c. Emergency Services
  - i. Call to Police Emergency
  - ii. Call to Fire Brigade
  - iii. Call to Ambulance Service
  - iv. Call to Rescue Services
  - v. Call to Bomb Disposal Squad
  - vi. Call to other Provincial / Local Services
  - vii. Any other emergency services as determined by the Authority
- d. Premium Rate Services
- e. Leased Line Services
- f. Value Added Services
- g. Any other telecommunication services as determined by the Authority

**2. Cellular Mobile Telecommunication Services**

- a. Basic Services
  - i. Connection
  - ii. Line Rental
  - iii. Voice Calls
  - iv. Video Calls
  - v. Short Messaging Service (SMS)
  - vi. Multimedia Messaging Service (MMS)
  - vii. Internet / Broadband Services
  - viii. Itemized billing
  - ix. Caller Line Identification
  - x. Voice Mail
  - xi. Call Forwarding
  - xii. Call Waiting
  - xiii. Any other basic services as determined by the Authority

- b. Operator Assistance Services
  - i. Balance Inquiry
  - ii. Help Line (other than Complaint Handling)
  - iii. Help Line for Complaint Handling
  - iv. Balance Reload
  - v. Provision of Bills
  - vi. Usage Monitoring
  - vii. Spam Blocking (420 and 9000)
  - viii. Call to Directory Inquiry
  - ix. Any other operator assistance services as determined by the Authority
- c. Emergency Services
  - i. Call to Police Emergency
  - ii. Call to Fire Brigade
  - iii. Call to Ambulance Service
  - iv. Call to Rescue Services
  - v. Call to Bomb Disposal Squad
  - vi. Call to other Provincial / Local Services
  - vii. Any other emergency services as determined by the Authority
- d. Premium Rate Services
- e. Value Added Services
- f. Any other telecommunication services as determined by the Authority

### **3. Long Distance International Telecommunication Services**

- a. Basic Services
  - i. Connection
  - ii. Line Rental
  - iii. Any other basic services as determined by the Authority
- b. GMPCS
- c. Leased Line Services
- d. Any other telecommunication services as determined by the Authority

### **4. Class of Telecommunication Services (CVAS)**

- i. Voice
  - Card Payphone
  - Premium Rate Service
  - Trunk Radio Service
- ii. Data
  - Internet
  - Data Service
  - Vehicle Tracking Service
- iii. Registered Services
  - Voice Mail
  - SMS Aggregator
  - Video Conferencing
  - Content Service Provider
- iv. Any other value added services as determined by the Authority