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Utility Regulation and Competition Office

30 November 2018

NOTICE OF NON-COMPLIANCE ***(Financial Reporting and Licence Fees)***

THIS NOTICE APPLIES to **all** Utility Regulation and Competition Office ('**Office**') Information and Communications Technology Licensees ('**Licensee**') as defined by section 2 of Information and Communications Technology Law (2017 Revision) ('**Law**'); and in recognition of the provisions set out at section 30 of the Law.

THIS NOTICE comes about as a result of an internal review of the Office's records which confirmed that some licensees are failing to meet their financial reporting obligations.

THIS NOTICE serves to remind all Licensees of their obligations under **Clause 3 "Licence Fees"** and **Annex 2** of their Licences. In particular, the Office draws reference to clauses:

1.2 (a): The obligation to submit a licence fee report showing "Quarterly Turnover", "Quarterly Revenue", "Unaudited Financial Statements and any other related information, by no later than 15 days following the end of the "Quarter" and by the format and method prescribed by the Office.

1.2 (b): The obligation to submit at the same time as the licence fee report-payment equal to six per cent (6%) of the "Quarterly Revenue" together with an amount equal to the Licensee's "Quarterly" "Regulatory Fee".

1.2 (c): The obligation to submit along with and in support of (a) and (b) above, a signed affidavit by an authorised officer of the Licensee attesting to the veracity and completeness of the information and that all Turnover has been reported.

1.2 (d): The obligation to deliver to the Office within three (3) months of the end of the Licensee's Financial Year, Audited Financial Statements as defined by the Office.

NON-COMPLIANCE WITH ANNEX 2

A Licensee may be deemed non-compliant or in breach of the Law and its Licence if it fails to meet any of the obligations as set out above save for where the Office has granted an extension to the time for compliance and that extended time for compliance has not expired.

REQUIRED ACTION

This Notice requires the Licensee to comply with the conditions set out in **Annex 2** of their Licenses forthwith.

COMPLIANCE AND ENFORCEMENT ACTION BY THE OFFICE

Notwithstanding the Required Action noted above, following this Notice, the Office will commence formal compliance action with each delinquent and non-compliant Licensee. Part of such action may result in enforcement proceedings being commenced under the *Law* and the *Utility Regulation and Competition Law (2018 Revision)* and may include the decision to apply Administrative Fines up to \$500,000.00 for each failure or contravention and a subsequent \$25,000.00 a day for every day the failure to comply or contravention continues.

END

Signed:

Alee Fa'amoe
Deputy CEO / Executive Director ICT
Utility Regulation and Competition Office "OfReg"