

22 March 2021

CIRCULAR LETTER

Unified Carrier licensees (authorized to provide local fixed or mobile services)

Mobile Carrier licensees

Services-Based Operator (“SBO”) licensees (authorized to provide Class 1 service, Class 2 service, or Class 3 service (Mobile Virtual Network Operator (“MVNO”) services only)

Dear Sir/Madam,

Reporting Requirement under the Funding Arrangement of Universal Service Obligation (“USO”)

This circular letter serves to supersede the previous circular letter of 1 April 2012 and inform the licensees concerned of the new arrangement of the reporting requirement under the funding arrangement of USO.

Pursuant to the statement entitled “Review of the Regulatory Framework for Universal Service Arrangements” issued on 8 June 2007¹, the sharing basis of USO under the Universal Service Contribution (“USC”) scheme is based on the number of all subscriber numbers allocated (see Annex 1 for definition). In each licence year, USC Contributing Parties² sharing the cost of USO are required to **(1) report the quantity of subscriber numbers allocated on a half-yearly basis with reporting details as set out in Annex 2 and (2) submit an annual audit assurance report to certify the subscriber numbers allocated as at the ends of the first and second half-year and the licence anniversary date with reporting details as set out in Annex 3.**

¹ The document is available at https://www.ofca.gov.hk/en/industry_focus/industry_focus/obligation/framework/index.html.

² Specifically, USC Contributing Parties include unified carrier licensees authorized to provide local fixed or mobile services, mobile carrier licensees and SBO licensees authorized to provide Class 1 service, Class 2 service, or Class 3 service (MVNO services only).

(1) Half-Yearly Reports

The half-yearly reports should contain the quantity of subscriber numbers allocated (including the ported numbers) to the USC Contributing Parties as at 30 June and 31 December of each year respectively. The reports should provide **detailed breakdown of subscriber numbers as listed in the table in Annex 2** and be submitted **within two weeks from the end of the reporting date (i.e. 30 June and 31 December of each year)**.

(2) Annual Audit Assurance Report

The USC Contributing Parties are required to provide annual audit assurance report **within one month** after the anniversary date of the licence. The annual audit assurance report serves the purposes of both licence fee calculation and USC calculation.

The USC Contributing Parties are reminded of the followings when submitting the annual audit assurance report –

- (a) The annual audit assurance report should certify the quantity of subscriber numbers held by the USC Contributing Party concerned as at the ends of the first and second half-year (for USC calculation) and the licence anniversary date (for licence fee calculation), **with detailed breakdown of subscriber numbers as listed in the table in Annex 3**.

For example, if the next anniversary date of the licence of an USC Contributing Party is 30 May 2021, the annual audit assurance report to be submitted should certify the subscriber numbers held by it as at 30 June 2020, 31 December 2020 (both for USC calculation), and 30 May 2021 (for licence fee calculation). The annual audit assurance report should be submitted by 30 June 2021 to certify the subscriber numbers held by the USC Contributing Party as at the dates specified above;

- (b) In the case that a new licence has been issued to the USC Contributing Party for replacement of its existing licence with a new licence issue date, the USC Contributing Party is required to certify (i) the subscriber numbers it held as at the date of issue of the new licence and (ii) the subscriber numbers it held as at the end(s) of the half-year for the period between the last anniversary date of the original licence and the new licence issue date (which have not been certified in the previous annual audit assurance report under its original licence) in its first audit assurance report for the new licence. Thereafter the certification requirements for the next anniversary date of the licence will follow paragraph (a) above.
- (c) All USC Contributing Parties are required to submit their annual audit assurance reports to Office of the Communications Authority unless waiver has been granted by this office.

Submissions of the Reports

The USC Contributing Parties should submit the duly completed forms Annex 2 and Annex 3 to –

Regulatory Affairs Manager (M21)2
Office of the Communications Authority
29/F, Wu Chung House
213 Queen's Road East
Wan Chai, Hong Kong.
Fax: 2123 2187

A **NIL return** is required even if no subscriber number is held by the USC Contributing Parties.

Should you have any questions on this Circular Letter, please contact our Regulatory Affairs Manager (M21)2 at 2961 6572.

Office of the Communications Authority

Definition of Subscriber Numbers

Subscriber number includes a number which may be assigned to customer for voice services, non-voice services or both voice and non-voice services. To minimise the administrative cost for USC collection purpose, the definition of subscriber number for the purpose of USC calculation is the same as that for charge of licence fee as required under the respective licences, except those for paging services.

For practical guidance, the numbers which fall within such definition and subject to number fee are given in Appendix 9 of the “Code of Practice relating to the Use of Numbers and Codes in the Hong Kong Numbering Plan”¹ issued by the Communications Authority (“CA”). For unified carrier licensee and mobile carrier licensee (without the number fee component under their existing licence fee structures), they are required to report the quantity of subscriber numbers (including figures on ported numbers) held by them with reference to the same provision on subscriber number under the Telecommunications (Carrier Licences) Regulation of Cap. 106V for Unified Carrier Licence.

¹ The document is available at the CA website:

https://www.coms-auth.hk/filemanager/statement/en/upload/385/cop-numbering_e.pdf

Report for the Subscriber Number Held by the Licensee(as at 30 June / 31 December *)

(* Delete where inapplicable and specify the year)

Name of Company: _____

Licence No.: _____

Subscriber Number Held by the Licensee

| | |
|---|--|
| (1) the quantity of subscriber number allocated to the licensee as shown in the “The Numbering Plan for Telecommunications Services in Hong Kong” issued by the CA ¹ irrespective of whether the subscriber numbers has been assigned to a customer ² | |
| (2) in relation to item (1), the accumulated quantity of subscriber number allocated to another licensee that is ported in to the licensee’s network ³ | |
| (3) in relation to item (1), the accumulated quantity of subscriber number allocated to the licensee that is ported out from the licensee’s network ⁴ | |
| (4) in relation to item (1), the accumulated quantity of subscriber number assigned, as authorized by the Authority, to another licensee (who has made payment of the licence fee for such number under its licence) (Note: licensee should not report such subscriber number unless assignment of number to another licensee has been authorized by the Authority) | |
| (5) in relation to item (1), the accumulated quantity of subscriber number allocated to the licensee and is subsequently returned to the CA | |
| (6) Sum of accumulated subscriber numbers allocated = (1) + (2) - (3) - (4) - (5) | |

¹ The licensee should refer to Annex 1 in preparing its report.

² For the avoidance of doubt, the unified carrier licensee is required to report the number with prefix 300(1-9) and 30(1-9) allocated to it.

³ In general, if a ported number is relinquished (“relinquished number”), it should be returned to the original donor network operator (“DNO”). For the avoidance of doubt, the relinquished number which has been returned to the original DNO should be treated as the subscriber number not ported out from the network of DNO whereas the relinquished number which has not been returned to the original DNO should be regarded as the subscriber number ported in to the network of the recipient network operator.

⁴ ditto

| | |
|--------------------------------------|--|
| Name of Person Submitting this Form: | |
| Position: | |
| Contact Telephone Number: | |
| Fax No.: | |
| E-mail: | |
| Date of Submission: | |
| Signature and Company Chop: | |

Annual Audit Assurance Report
for the Subscriber Number Held by the Licensee

Name of Company: _____

Licence No.: _____

| Subscriber number held by the licensee | <u>As at 30 Jun / 31 Dec *</u> <i>(* Delete where inapplicable and specify the year)</i> | <u>As at 30 Jun / 31 Dec *</u> <i>(* Delete where inapplicable and specify the year)</i> | <u>As at Licence Anniversary Date *</u> <i>(* Please specify the date)</i> |
|---|---|---|---|
| (1) the quantity of subscriber number allocated to the licensee as shown in the “The Numbering Plan for Telecommunications Services in Hong Kong” issued by the CA irrespective of whether the subscriber numbers has been assigned to a customer | | | |
| (2) in relation to item (1), the accumulated quantity of subscriber number allocated to another licensee that is ported in to the licensee’s network | | | |
| (3) in relation to item (1), the accumulated quantity of subscriber number allocated to the licensee that is ported out from the licensee’s network | | | |
| (4) in relation to item (1), the accumulated quantity of subscriber number assigned, as authorized by the Authority, to another licensee (who has made payment of the licence fee for such number under its licence) (Note: licensee should not report such subscriber number unless assignment of number to another licensee has been authorized by the Authority) | | | |
| (5) In relation to item (1), the accumulated quantity of subscriber number allocated to the licensee and is subsequently returned to the CA | | | |
| (6) Sum of accumulated subscriber numbers allocated = (1) + (2) - (3) - (4) - (5) | | | |