



REPUBLIC OF SINGAPORE

INFO-COMMUNICATIONS DEVELOPMENT AUTHORITY OF SINGAPORE

**CODE OF PRACTICE
FOR PROVISION OF PREMIUM RATE SERVICES**

ISSUED ON 17 October 2007

1. INTRODUCTION
2. RESPONSE TO COMMENTS RECEIVED IN THE PUBLIC CONSULTATION OF THE PREMIUM RATE SERVICES CODE
3. CONCLUSION

CODE OF PRACTICE FOR PROVISION OF PREMIUM RATE SERVICES

In exercise of the powers conferred by Section 26 of the Telecommunications Act (Chapter 323), the Info-communications Development Authority of Singapore (“**IDA**”) issues the Code of Practice for Provision of Premium Rate Services (“**PRS Code**”). This document sets out IDA’s response to the comments received to the draft PRS Code issued in May 2007.

1. INTRODUCTION

- 1.1 Over the past 2 years, IDA has noticed a significant increase in the number of consumer complaints against IDA licensees who provide premium rate services (“**PRS**”) over the public telecommunication networks (hereinafter referred to as “**PRS Providers**”). Complaints have largely centred on issues such as consumers being wrongfully charged for unsolicited services, and being misled by advertisements and service terms and conditions. IDA found many of these complaints to be legitimate.
- 1.2 In the interest of protecting the public and consumers of PRS in particular, IDA has proposed to issue a code of practice that sets out the duties to be observed by PRS Providers and their billing network operators (as defined in the PRS Code) when offering their services over public telecommunication networks. The PRS Code seeks to promote responsible service provisioning by PRS Providers, thereby safeguarding consumer interests.
- 1.3 On 9 May 2007, IDA released a consultation document which sought public comments regarding the draft PRS Code. At the close of the public consultation on 15 June 2007, IDA received 15 submissions from PRS Providers, billing network operators and non-licensed content providers (the “**Respondents**”); namely Blinck Mobile Ltd, eFusion Pte Ltd, Ericsson Telecommunications Pte Ltd, i-WAP Pte Ltd, MediaCorp Technologies Pte Ltd, MobileOne Ltd, mTouche Pte Ltd, Orange Gum Pte Ltd, Rach Pte Ltd, Singapore Press Holdings Ltd, Singapore Telecommunications Ltd, StarHub Ltd, Sybase 365 Pte Ltd, True Mobile Pte Ltd and Voice Response Technology Pte Ltd. IDA would like to thank the Respondents for their inputs.
- 1.4 Following the close of the consultation period, IDA began an intensive review process. In the course of this process, IDA gave extensive consideration to the views and proposals contained in each of the submissions. In finalising the PRS Code, IDA has taken into consideration its policy objectives as well as the views from the Respondents.

- 1.5 This document sets out a section by section review of the PRS Code, summarising IDA's position on the key issues raised in the public consultation and explaining the rationale when finalising the PRS Code.

2. RESPONSES TO COMMENTS RECEIVED IN THE PUBLIC CONSULTATION OF THE PREMIUM RATE SERVICES CODE

General Comments on the PRS Code

Burden on PRS Providers

- 2.1 Several Respondents had expressed their concerns that the PRS Code would place too great of a burden on PRS Providers, and remove any responsibility on the part of consumers. The introduction of the PRS Code would thus result in a situation where consumers could make irresponsible and unjustified claims, thereby placing PRS Providers in wholly unfavourable positions.
- 2.2 IDA is mindful of the need to strike a balance between protecting consumers and imposing too much regulation on the PRS industry. IDA recognises that too many obligations imposed on PRS Providers will unnecessarily raise business costs thereby deterring continued and innovative service provision in the industry as a whole. IDA also has no intention of removing the responsibility on the part of consumers, and the PRS Code is not intended to protect consumers who fail to exercise due diligence to understand their obligations when subscribing for PRS where the terms and conditions are clearly stated.
- 2.3 IDA also assures PRS Providers that IDA has no reason to side with either consumers or PRS Providers, and will ensure that any investigations carried out by IDA are conducted in an impartial manner. Furthermore, IDA will apply this PRS Code in a manner that is consistent with both the spirit and intent of the PRS Code, and will not hesitate to dismiss any frivolous consumer complaints lodged against a PRS Provider who has complied with the provisions of this PRS Code.
- 2.4 IDA would also like to highlight that many of the obligations contained within the PRS Code are already standard industry practices which have been adopted by various PRS providers even before the launch of the public consultation of the PRS Code. Hence, the adoption of the PRS Code will put in place a formal and uniform framework for all PRS Providers which is transparent to both the PRS Providers and consumers.

Compliance with Telecom Competition Code ("TCC")

- 2.5 Respondents have also noted that some of the sections of the PRS Code repeat similar sections found in the TCC. IDA would like to explain that as the PRS

Code is intended to specifically regulate the provision of PRS, it is drafted as a standalone document which contains all relevant provisions relating to the manner in which IDA will regulate the provision of PRS.

- 2.6 For the avoidance of doubt, nothing in the PRS Code exempts PRS Providers from compliance with the TCC. However, in cases where a PRS Provider or billing network operator is found to have contravened similar provisions in both the TCC and the PRS Code, based on the facts, IDA will take enforcement action under the more appropriate code and not impose cumulative penalties for contravention of both codes.

PRS Code is Technology-Neutral

- 2.7 IDA would also like to clarify that although the vast majority of PRS is currently provided over the mobile phone networks, IDA has drafted the PRS Code in as technologically neutral a manner as possible. This is to ensure that the PRS Code is able to regulate all provision of PRS regardless of the technological platform they are provided over which may change over time, and will ensure that the PRS Code remains relevant and is able to meet the developments of any new technological innovations by the telecommunications industry.

Applicability of PRS Code

- 2.8 Several Respondents have also noted that IDA should not apply this PRS Code to the industry as a whole, but rather should focus on regulating only errant PRS Providers. Some Respondents also questioned the necessity of singling out the PRS industry for additional regulation.
- 2.9 As mentioned earlier, in IDA's experience, the volume of consumer complaints received regarding PRS far exceeds those relating to other telecoms services. IDA believes that a major reason for this is the ease with which consumers can subscribe for, and also find themselves subscribed to PRS, and the manner in which PRS is being marketed and provided today. Unlike many other telecoms services where a consumer has to personally present himself at the retail outlet of a service provider and/or sign an end user service agreement, a PRS can be subscribed to with much greater convenience, for instance, by sending a SMS message to a short code.
- 2.10 Therefore, IDA is of the opinion that more stringent regulations must be imposed on this particular industry in order to ensure that there are sufficient checks in place to address the problems unique to the industry in order to maintain and enhance consumer confidence.
- 2.11 As IDA has also noted above, many of the regulations contained within the PRS Code are already standard industry practice adopted by the majority of PRS

Providers. As such, it is sensible for the PRS Code to be applied uniformly and in a non-discriminatory manner to all PRS Providers.

- 2.12 Several Respondents have also made comparisons between the PRS Code and the Spam Control Act. IDA would like to clarify that the objectives of the PRS Code and the Spam Control Act are separate and distinct. The Spam Control Act regulates the sending of unsolicited (but usually non-chargeable) commercial electronic messages in bulk, otherwise known as “spam”, by imposing requirements that senders must comply with. PRS providers who engage in such activity must comply with Spam Control Act. On the other hand, the PRS Code aims to ensure, amongst others, that –
- (a) all advertisements for PRS sent to consumers, whether or not the advertisements constitute “spam”, do not mislead consumers or otherwise cause them to be subscribed for PRS without their express consent; and
 - (b) where a PRS provider sends any unsolicited messages to a consumer, whether or not the message constitutes “spam”, it cannot impose a requirement on the consumer to unsubscribe from the message failing which he will be subscribed for a PRS.

There is therefore no inconsistency between the Spam Control Act and the PRS Code.

Comments on Section 1 of the PRS Code

Definitions

- 2.13 Several Respondents expressed their views that IDA’s definition of “*premium rate service*” was unnecessarily wide and it could potentially cover such mobile value-added services such as voice messaging, caller ID etc. IDA would like to clarify that the definition of the “*premium rate service*” has been kept broad deliberately as IDA recognises that due to constant innovation, PRS may potentially cover a very large range of diverse services. As such, the definition of “*premium rate service*” is drafted broadly to cater for any new service introduction.
- 2.14 However, IDA also recognises that the PRS Code is not intended to regulate value-added services provided specifically by network operators that relate directly to the use of the relevant telecommunications services and systems they provide. As such, IDA has accepted the suggestion of one Respondent and amended the definition of “*premium rate service*” in the PRS Code to expressly exclude certain value-added services.
- 2.15 One Respondent also expressed their concern over IDA’s definition of “*charge*” to mean the presenting of a bill to an end user. The Respondent noted that due

to technical or billing delays entirely beyond its control, a consumer may end up being billed erroneously for a PRS even though all possible steps have been made to ensure that the erroneous charge is waived.

- 2.16 As mentioned earlier, IDA will consider all facts of a case before arriving at its decision and will take into consideration all relevant evidence submitted by PRS Providers and/or billing network operators showing that they have taken all reasonable steps to prevent consumers from being charged for an unsolicited service.
- 2.17 IDA would also like to clarify that IDA's definition of "*premium rate service provider*" covers only IDA's licensees, and as such they must necessarily be companies that are registered with ACRA and are obliged to maintain a local address and point of contact.
- 2.18 Non-licensees (e.g. overseas content providers) who may produce the actual content or manage the operation of a PRS provided through an IDA licensee (e.g. aggregator) over a public telecommunications network are not subject to the PRS Code. In such cases, the relevant IDA licensee who facilitates the provision of such PRS will be treated as the actual PRS Provider for the purposes of the PRS Code. Therefore, an IDA licensee who facilitates the provision of a PRS by a non-licensee cannot seek to evade its obligations under the PRS Code by casting the responsibility for compliance on the non-licensee.

Application of the PRS Code

- 2.19 One Respondent explained that as they are merely in charge of aggregating the PRS on behalf of their clients, they are unable to exert full control over the actions of their clients and as such, IDA should give PRS Providers which are aggregators special consideration while enforcing the PRS Code.
- 2.20 As noted above, aggregators enter into commercial agreements with non-licensees and facilitate the provision of the non-licensees' content services through the public telecommunications networks. As non-licensees are not subject to the PRS Code, it is thus necessary to impose the obligation for compliance on aggregators who choose to facilitate the provision of a PRS that is controlled, managed or operated by a non-licensee. This is only fair as aggregators cannot expect to profit from facilitating the provision of PRS to consumers while seeking to disclaim their responsibility for the service. If an aggregator considers that it is not able to exert control over the actions of its non-licensee client, it can always decline facilitating the provision of the service. Accordingly, IDA would like to advise aggregators who facilitate the provision of PRS that are controlled, managed or operated by non-licensees to take all necessary measures to ensure that such non-licensees do not act in a manner which cause the aggregators to contravene their obligations under the PRS Code.

Comments on Section 2 of the PRS Code

Section 2.2: Duty relating to advertisements

- 2.21 IDA would like to explain that it considers the requirements stipulated in section 2.2 of the PRS Code to be the minimum set of material information that should be laid out in any advertisement, regardless of its medium. IDA has received many complaints from consumers who have been sent SMS advertisements relating to PRS which omit key terms relating to charges and as such subscribe to the service without being fully aware of the actual charges that they may end up incurring. IDA would advise PRS Providers who are of the opinion that they cannot meet these basic requirements in their current mode of advertising channels to consider alternative advertising channels that would allow them to meet these requirements.
- 2.22 Respondents have queried IDA on what exactly IDA means by the “*key terms*” that PRS Providers should include in their advertisements. IDA has now specifically clarified in the PRS Code that such “*key terms*” refer to “*all terms which have a material bearing on the charges payable by an end user and which enable an end user to understand the maximum charges that he can incur for use of the service*”. In this regard, IDA believes that the PRS Providers are in the best position to identify what are these terms and conditions are given they are providing the PRS.
- 2.23 A Respondent has also raised the issue of whether the wording of this section is too broad as it may capture instances of generic advertisements used to raise general consumer awareness of the range of products, which may not necessarily be PRS, offered by a PRS Provider.
- 2.24 IDA is of the opinion that where an advertisement genuinely seeks to raise consumer awareness but does not specifically lay out the method by which consumers can subscribe for a PRS, then such advertisements would not have to comply with the obligations laid out in this section. IDA’s intention behind this section is to ensure that for advertisements which actively promote a PRS to which consumers can immediately subscribe to, the PRS Provider must inform consumers of all terms and conditions which have a bearing on the charges payable for the service so that consumers are fully aware of all applicable charges before deciding whether or not to subscribe for the service.
- 2.25 Respondents have also questioned the necessity of including their registered name in advertisements for their PRS. Some PRS Providers also informed that as they are only aggregators of the PRS, inclusion of their name in the advertisement may be against the wishes of their clients, and that they may not even have control over the advertisements for the PRS.

- 2.26 IDA would like to explain that we have received many complaints where consumers highlighted that they had no idea which company was providing the PRS, and as such had to depend completely on their billing network operators to investigate billing disputes. In particular, IDA notes that it is the PRS Providers who maintain the system tracking subscription and usage of the PRS. Any disputes on the PRS must therefore be directed to the relevant PRS Provider.
- 2.27 Therefore, IDA believes it is not satisfactory for PRS Providers to avoid disclosing their identity to consumers. In most instances, it may be too late for consumers to wait for their billing network operators to identify the relevant PRS Provider only after investigations as the consumer may be continually charged before he receives the bill from the billing network operators. Therefore, IDA considers that it is only reasonable for the PRS Provider to disclose its name and PRS' hotline number upfront to consumers.
- 2.28 With regard to comments that aggregators are unable to control the advertising of their clients, IDA would again reiterate that since aggregators choose to enter into commercial arrangements to facilitate the provision of PRS that may be controlled, managed or operated by non-licensees, the onus is on aggregators to ensure that they can meet all their obligations under the PRS Code.

Section 2.3: Duty relating to unsolicited free services

- 2.29 IDA would like to clarify that this section refers to the scenario where a PRS Provider pushes free content services to consumers *without their explicit consent*, and then requires them to actively opt-out from the service failing which they will be charged for chargeable services pushed to them after the "free" period.

Section 2.4: Duty relating to services which can be purchased or subscribed via electronic messaging

- 2.30 One Respondent proposed that IDA modify this section to allow consumers who have not entered the exact subscription keyword to be allowed to be subscribed for a PRS, as long as his intent is clear. IDA does not believe this to be feasible. IDA believes that mandating a specific keyword for both subscription and unsubscription purposes not only protects consumers, but is also in the interest of PRS Providers should consumers challenge their subscription to services. By ensuring that only the correct keyword is accepted, disputes can be avoided to the benefit of both consumers and PRS Providers.
- 2.31 Taking into account the Respondents' inputs regarding the necessity of a different "*purchase keyword command*" for each PRS, IDA has modified the PRS Code to specify that a different "*purchase keyword command*" is only necessary in cases where a PRS Provider provides multiple PRS over the same short code.

Section 2.5: Duty to authenticate end user for services delivered to mobile phones which may be purchased or subscribed via Internet registration

- 2.32 IDA has noticed an increasing trend where PRS Providers allow consumers to subscribe for services via the Internet. While convenient, IDA considers that such method of subscription must also be regulated given the ease with which consumers can end up being subscribed for a PRS.
- 2.33 As such, IDA has introduced a new section into the PRS Code relating to the PRS Provider's duty to authenticate consumers who seek to subscribe, via the Internet, for PRS delivered to their mobile phones. The obligations laid out in this section are similar to those found in section 2.4, and basically state that in order to ensure that consumers genuinely intend to subscribe for the PRS, PRS Providers must ensure that they receive specific purchase keywords sent by the consumer, from their mobile phone indicated during the Internet registration of the service, before the PRS Provider delivers the PRS to that mobile phone.

Section 2.6: Duty to provide confirmation and reminder messages for subscription based services

- 2.34 Some Respondents have expressed that IDA's requirement that PRS Providers should provide confirmation messages as well as reminder messages to be overly onerous. Respondents have also noted that consumers may be annoyed by such reminder messages.
- 2.35 IDA disagrees with the above sentiments. IDA has never received a single complaint that consumers are unhappy about receiving such reminders. In fact, IDA believes that it is illogical for a consumer to complain about being reminded of his incurred charges, especially where they can potentially accumulate to significant amounts over time if he does not unsubscribe from the service. Notwithstanding this, IDA has allowed PRS Providers the option of giving their customers a choice on whether or not they wish to receive reminder messages.
- 2.36 IDA also notes that the requirement for PRS Providers to provide both confirmation and reminder messages is the standard industry practice, and in fact many PRS Providers have actively come forward to assure IDA that they will commit to the sending of such messages to ensure that their customers are kept updated on the status of their subscription to the service.
- 2.37 IDA considers that it is necessary for PRS Providers to provide consumers with confirmation and reminder messages, particularly where PRS Providers choose to "lock in" consumers into continuous periods of subscription where the charges continue to accumulate unless the consumer unsubscribes from the service. Without these safeguards, consumers may only realise the full extent of such

accumulated charges when they receive their bill, by which time they may already have incurred heavy expenses.

- 2.38 In fact, IDA has received many consumer complaints on this issue, as well as complaints where consumers had no idea of the applicable charges for a PRS or how to unsubscribe from the PRS until after receiving their first bill. Given these numerous complaints, IDA believes that it is essential for consumers to be kept updated on a reasonably regular basis of the charges they are facing before they receive their monthly bills. As such, IDA has mandated the sending of weekly reminder messages for subscription PRS which are longer than one week.
- 2.39 IDA would also make clear that confirmation and reminder messages should contain information that must be easily understood by the average consumer. IDA is of the opinion that a PRS Provider cannot claim to have met IDA's obligations to send reminder and confirmation messages if consumers are unable to understand such messages.
- 2.40 However, IDA recognises that it may be overly onerous for PRS Providers to continue to provide weekly reminder messages after the first month of subscription. IDA also accepts that after receiving the reminder messages for the first month and their first bill for the PRS, consumers can reasonably be expected to understand the extent of the charges which they may incur for use of a PRS.
- 2.41 Therefore, IDA has modified the PRS Code to stipulate that the sending of reminder messages after the first month of subscription need only be on a monthly basis. PRS Providers should note however that for auto-renewing subscription-based PRS which have a subscription period of less than one month, a reminder message must be sent to the subscribing consumer by no later than 24 hours before the end of each subscription period.
- 2.42 IDA would also like to clarify that, the sending of reminder messages are only applicable for subscription PRS which are automatically renewed, or for PRS which are provided indefinitely, in which consumers continue to receive additional chargeable content throughout the duration of the PRS until such time that they take action to unsubscribe from the PRS. For subscription PRS which are not automatically renewed, or where consumers are not sent periodic chargeable content until they unsubscribe from the PRS, PRS Providers do not have to send reminder messages.
- 2.43 Furthermore, IDA has also included an exception for auto-renewing subscription-based PRS where consumers are only charged a one-time fee and not subject to any further charges for content delivered during the subscription period. For such PRS, PRS Providers are only obliged to send a single reminder message before the automatic renewal of the subscription term, regardless of the actual length of the subscription period.

Section 2.7: Duty to enable end users to unsubscribe from subscription-based services

- 2.44 A Respondent suggested the implementation of a universal quit and help feature that would enable consumers to quit services as well as seek info with ease, thereby lowering the number of complaints received by PRS Providers and billing network operators.
- 2.45 IDA thanks the Respondent for his suggestion, but we believe that the imposition of such a requirement would be overly onerous on PRS Providers as it would require a significant overhaul of PRS Providers' existing systems. While nothing prevents individual PRS Providers from implementing such features if they wish to, IDA considers that it would be sufficient for PRS Providers to put in place a prompt and efficient customer service system to handle consumer queries and complaints.
- 2.46 IDA also notes that many consumers have complained that they do not receive clear instructions on how to unsubscribe from a PRS in the reminder messages sent by PRS Providers. Consumers highlighted that PRS Providers tend to use obscure short-forms and imprecise language which are confusing and misleading. As such, IDA has now stipulated that instructions for unsubscription must be clear; in plain English and not be misleading, to ensure that consumers know exactly how to unsubscribe from subscription-based PRS.

Section 2.8: Duty to charge only for content

- 2.47 Respondents have asked IDA to consider allowing PRS Providers to charge for non-content messages such as reminder or confirmation messages. IDA is of the opinion that since confirmation and reminder messages contains essential information, they must be provided to consumers free of charge. Not charging for such essential information is also already widely practised by the PRS industry today.

Section 2.9: Duty to indicate charges in all chargeable messages

- 2.48 As mentioned earlier, given the ease with which consumers can end up being subscribed to a PRS, IDA considers that additional safeguards should be in place to ensure that consumers are made fully aware of the charges imposed for the content they receive.
- 2.49 This obligation will also enable consumers to keep track of the charges that they are incurring and reduce the likelihood of consumers being taken by surprise when they receive their monthly bills.

Section 2.10: Duty relating to chat services

- 2.50 A Respondent asked IDA to clarify whether instant messaging mobile services are considered as premium rate chat services and subject to the obligations contained within Section 2.10. IDA's understanding is that the Respondent is referring to the type of service in which consumers are able to send and receive instant messages in the form of SMS messages on their phone. Consumers are then levied additional charges for each instant message sent and/or received in such a manner.
- 2.51 IDA's understanding is that such instant messaging services, when provided over the Internet, are free of charge. However, where a provider provides such a service to mobile phone users by converting instant messages into SMS messages and charging them for it, the provision of such instant messaging mobile services would qualify as the provision of a PRS although it is not a premium rate chat service. As such, while Section 2.10 would not apply to instant messaging mobile services, the provider of such a service would have to comply with all other applicable provisions in the PRS Code.

Section 2.11: Duty to provide clear, accurate and timely billing

- 2.52 Several Respondents asserted that this obligation is unfair to PRS Providers as they have no control over the actions of their billing network operators. IDA would clarify that if PRS Providers choose to bill through their billing network operators, they should make the necessary arrangements to ensure that the billing network operators provide clear, accurate and timely bills to the PRS Providers' customers.
- 2.53 Where PRS Providers can prove to IDA that they have taken all necessary steps and exercised all due diligence to ensure provision of clear, accurate and timely bills by their billing network operators, IDA will not take action against them should the contravention of this provision be solely a fault of the billing network operator. In such cases, IDA will take appropriate action against the billing network operator.

Section 2.12: Duty not to charge for unsolicited services

- 2.54 IDA would like to clarify that this section has been drafted to be consistent with the similar section in the TCC. IDA will also apply this section in a reasonable manner and will not initiate enforcement action under this section against any PRS Provider who can show reasonable proof that a consumer had subscribed for their PRS.

Section 2.13: Duty relating to disputes over charges

- 2.55 Many Respondents raised concerns over this particular section, citing that they constantly receive complaints from irate parents who claim that their children have subscribed to PRS unknowingly and that the PRS Provider should waive all incurred charges. IDA has also received many such complaints, and has made clear to such complainants that IDA cannot assist them where the facts indicate that the services were in fact subscribed for.
- 2.56 IDA would like to take this opportunity to highlight that parents should educate their children on the responsible usage of telecommunications equipment. Parents should not expect IDA to obtain the waiver of charges where their children sign up for a PRS without there being any contravention of the provisions of the PRS Code by the billing network operator and/or PRS Provider. In such cases, IDA will advise the parent to approach either the Consumer Association of Singapore (CASE) or the Small Claims Tribunal to resolve the issue. Nothing herein shall be construed as IDA expressing a view as to whether or not a PRS Provider can enter into a legally binding contract with a minor.

Section 2.14: Duty to maintain customer service hotline and record of complaints

- 2.57 In the period since the close of the public consultation, IDA has received an increasing number of complaints against PRS Providers who supposedly maintain a customer hotline number, but make no attempt to answer calls during working hours, or to return voice mails within a reasonable period of time.
- 2.58 Hence, IDA has further elaborated on this section of the PRS Code to specify the minimum hours in which PRS Providers are obliged to maintain a working customer hotline number. PRS Providers are reminded that IDA will consider any PRS Provider who has consistently failed to respond to consumer complaints in a reasonable amount of time to have breached this section of the PRS Code.

Section 2.15: Duty relating to use of end user service information ("**EUSI**")

- 2.59 IDA notes that this section has been drafted to be consistent with the similar obligation found in the TCC, and its application will be no different than what is already practised.
- 2.60 Based on comments received, IDA has also expressly made clear that the PRS Provider may only disclose the end user's EUSI to third parties provided that such disclosure falls within any of the purposes stated in section 2.15.2 of the PRS Code.

Comments on Section 3 of the PRS Code

- 2.61 Billing network operators had commented that they should not be obligated to provide assistance to their own customers, as PRS is provided by a third party. One billing network operator had also noted that they may not be in a position to determine whether third parties whom they contract with are in fact licensed by IDA to provide PRS.
- 2.62 IDA has received many complaints from consumers that billing network operators have refused to render assistance where there are disputes between their own customers and PRS Providers. Consumers have noted that their network operators insist that any dispute should be directly resolved between the consumer and the PRS Provider, and that the billing network operator will not involve itself in any circumstance.
- 2.63 IDA considers such an attitude to be completely unsatisfactory. Billing network operators earn revenue by providing PRS Providers with a means by which they can provide services to and charge the billing network operator's own customers. Accordingly, IDA does not believe that imposing obligations on billing network operators to provide reasonable assistance to their own customers is excessive. IDA is not requiring the billing network operators to act as independent arbitrators to ensure that disputes between PRS Providers and consumers are satisfactorily resolved. However, at the minimum, billing network operators should ensure that PRS Providers resolve all disputes in a prompt manner, and assist the customer to contact the PRS Provider if the customer's repeated attempts to contact the PRS Provider remain unsuccessful. If a PRS Provider fails to resolve the issue, billing network operators should not insist upon the collection of the disputed charges and cannot threaten to cancel their customer's telecommunication services provided by the billing network operator. In cases where consumers dispute the evidence provided by PRS Providers, billing network operators should at the minimum take reasonable steps to confirm that such evidence is reliable before proceeding to collect the charges owed.
- 2.64 IDA also believes that given the contractual arrangements between the billing network operators and PRS Providers, it would not be unduly onerous for billing network operators to require providers of the PRS to produce documentary evidence that they are indeed IDA licensees who are licensed to provide such PRS. It would also be in the interest of billing network operators to obtain such assurances to avoid being implicated where a party provides telecommunications services without the necessary licence.
- 2.65 IDA also believes that since the billing network operator bills on behalf of a PRS Provider, mandating that such bills are clear, timely and accurate is essential. Ensuring that the bills sent to consumers are easily understandable will also reduce the number of complaints received by billing network operators from consumers who are unclear as to what PRS they are being charged for.

Comments on Section 4 of the PRS Code

- 2.66 Section 4 of the PRS Code sets forth the procedures as well as measures that IDA will use to enforce the PRS Code. This section also contains the standards IDA will use to impose sanctions on PRS Providers found to have contravened this PRS Code. IDA would like to clarify that section 4 of the PRS Code has been drafted to remain largely consistent with the enforcement actions IDA can take under section 11 of the TCC.
- 2.67 One Respondent noted that IDA should obtain a police warrant before entering the premises of a PRS provider. The Telecommunications Act already provides IDA the authority to enter a Licensee's premises to conduct investigations necessary for the carrying out of its duties, which includes the enforcement of any codes of practice such as the PRS Code. PRS Providers can rest assured that IDA will exercise these powers reasonably.
- 2.68 IDA would also like to highlight that the mitigating factors specified under section 4.6.3 of the PRS Code are non-exhaustive and IDA assures all parties that it will take into consideration all the facts of each individual case before deciding on the appropriate enforcement action to be taken for any breach of the PRS Code.

3. CONCLUSION

- 3.1 IDA recognises that PRS Providers and billing network operators will require sufficient time to ensure that their operations fully comply with all requirements set out in the PRS Code. IDA had initially proposed a 30-day lead time to affected PRS Providers and/or billing network providers before the effective implementation date of the PRS Code. However, IDA has decided to extend this lead time to 60-days, to allow PRS Providers as well as billing network operators more time in which to ensure compliance with the PRS Code.
- 3.2 Please note that this 60-day lead-time will however not preclude any enforcement action that IDA may take against PRS Providers and billing network operators for contravening any other existing requirements stipulated in the Telecommunications Act, other statutes, regulations, directions, licenses or codes of practice.
- 3.3 IDA believes that the implementation of the PRS Code will serve to provide the necessary guidelines to the PRS industry as to what IDA considers to be acceptable business practices in relation to the provision of PRS and that it will provide a balanced regulatory framework that will allow the continued growth of the PRS industry while achieving its objective of safeguarding consumer interests.