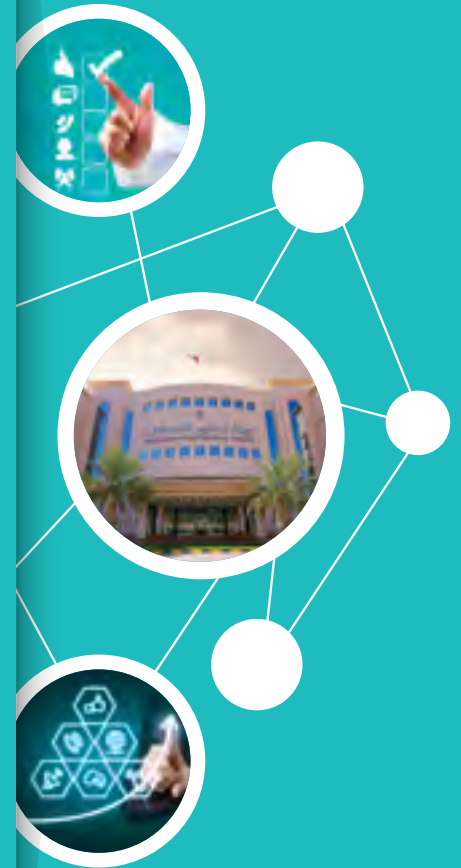


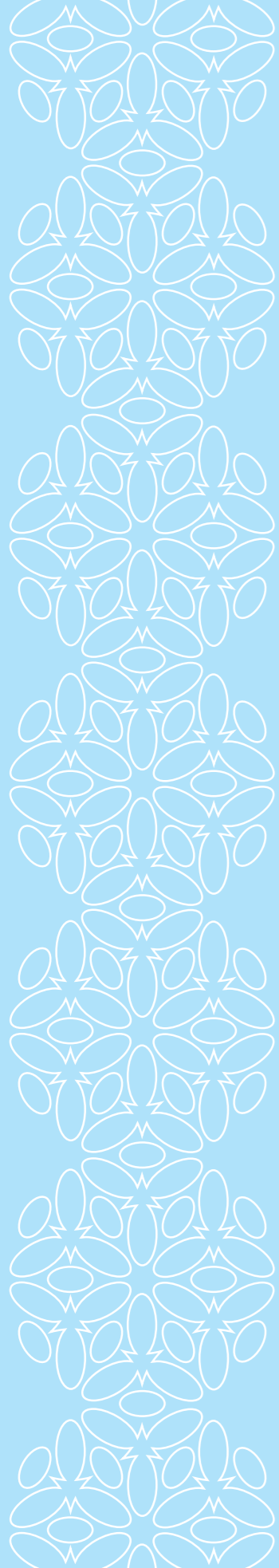


# ANNUAL REPORT 2016

Towards  
**World-Class  
Services**  
to All

[www.tra.gov.om](http://www.tra.gov.om)





**HIS MAJESTY  
SULTAN QABOOS BIN SAID**

# CONTENTS

## Who We Are



08

Chairman's Message	10
Executive President's Message	12

## Sector Performance



24

Telecom Market Performance	25
Postal Sector Performance	42
Domain Name Performance	50
Radio License Performance	53

Vision and Mission

14

## TRA's Vision & Mission



14

Regulations & Decisions	59
Violations	62
Royalties	63
Coverage	64
Numbering	65
Registrations, Licenses & Authorizations	66

## Further Liberalizing the Market



58

## Highlights



16

Events & International Representations	16
Awareness Campaigns	21
International Cooperation	22

## Consumer Care



68

Improving Customer Experience	69
Customer Care Activities	71

## Consumer Care



78

Financial Statements	78
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## WHO WE ARE

The Telecommunications Regulatory Authority (TRA) of the Sultanate of Oman was established in 2002, to liberalize and promote the telecommunications sector under the Telecommunications Act which was issued under the Royal Decree No. 30/2002.

In 2012, the Telecommunication Regulatory Authority was mandated to regulate Oman's Postal Sector in accordance with the Postal Service Regulatory Law, which was issued by the Royal Decree 71/2012 to reform, liberalize and develop the market within the Sultanate.





## CHAIRMAN'S MESSAGE

**H.E. DR. MOHAMMED  
HAMAD AL RUMHY**  
CHAIRMAN

The year has witnessed quite a few watershed events towards further liberalisation of the telecommunications sector. The most significant one is the publishing of the Access & Interconnection (A&I) Regulations in April 2016 paving the way for establishing the framework for regulating the dominant and non-dominant licensees and enabling setting of rates and prices based on robust principles of cost orientation and reference to market prices. A&I Regulations together with the retail price regulations and accounting separations regulations issued concurrently would bolster the overall competition framework in the sector showcasing the rules of competition in the emerging scenario of greater competition and innovation of services.

The second major milestone of the year was the issuance of Information Memorandum (IM) for the introduction of a third public mobile telecommunications services' license in the Sultanate. The IM was released to the interested parties in November 2016 and the process of receiving, evaluating and selecting the licensee is expected to be completed by the third quarter of 2017. The main thrust of introduction of competition in the mobile services' sector has been to enhance the proliferation of mobile broadband services across the country as well as to allow the market forces to determine the price and quality levels for the telecom services. The efforts of vacating the much required spectrum for commercial deployment has significantly contributed to the third mobile initiative.

In the current global environment where availability of finance appears rather squeezed, it is seen that the telecommunications sector has not been so severely affected and investments in both infrastructure and services' continue to grow. However, the pace of implementation of Oman Broadband Company assigned with the mandate of deploying broadband (primarily fibre to home and businesses) has been influenced by the ongoing financial challenges. Major restructuring of the government owned companies including those in the telecommunications sector is expected to address the issue of financing and development.

In the postal services sector public consultation was completed to elicit the views to streamline the rules and procedures governing the quality of services and price determination and the TRA is finalizing the executive rules to regulate both price and quality. Simultaneously, the Ministry has issued the overall policy for the sector including the role of Oman Post – the government owned company in the sector.

I appreciate and acknowledge the work and efforts of my colleagues and staff in the organisation whose journey for constant learning and growth continues with the main aim of achieving its own vision viz. 'To have the right regulatory environment to enable the provision of world-class services to all'. We continue to look forward to the able and worthy directions of His Majesty Sultan Qaboos to guide the nation and the sectors on the path of growth and prosperity.



## EXECUTIVE PRESIDENT'S MESSAGE

**H.E. DR. HAMED BIN  
SALIM AL-RAWAHI**  
EXECUTIVE PRESIDENT

The journey to enhance competition and customer satisfaction continues with new vigor and focused initiatives at the TRA. With the formal release of the Access & Interconnection Regulations together with supporting regulations addressing account separation and retail prices the canvass for the competition framework is now complete in respect of laying rules and engagement to deal with competition issues in the sector for both dominant and non-dominant licensees. The process of finalizing and publishing the reference access and interconnection offers (RAIOs) is proceeding and expected to be completed during 2017. These initiatives with the support of the regulations are expected to further stimulate the competitive environment resulting in optimum prices for the telecom services and higher standards of quality and increased choices of selection of service providers to discerning customers.

In spite of the challenging situation in the financial markets across the globe, the performance of the telecom sector during the year under review in the Sultanate has been satisfactory and investments in network rollout and technology upgradations continue. The key factor for continuing investments in the sector is regulatory certainty which the TRA has been managing to ensure and provide with active and constant engagement with all the key stakeholders.

TRA has released the information memorandum (IM) for the introduction of third mobile network operator (3MNO) in November 2016 after a thorough process of preparation and establishment of procedures and processes. It is expected that by the third quarter of 2017 the new license would be awarded and the consumers in the Sultanate would be able to witness a wider choice of service providers for the mobile services including mobile broadband. The terms of the new license would be similar to the licenses already issued taking into account the effect of additional regulations issued and thus making the rules more transparent and ensuring a level playing field.

The introduction of third fixed line services license based on fibre of Oman Broadband Company is witnessing increased activity among the service providers in competing of the service connections for fibre subscriptions in the capital area. The competition is evident in respect of higher broadband speeds and prices which are expected to further improve with increased network rollout of the existing operators including OBC. OBC on its part is scaling up home connections with coordinated working with service licensees where fibre nodes are established.

TRA successfully carried out public consultation on regulatory aspects of the postal service market especially relating to competition rules and quality of services. The response from the industry and other stakeholders has been good and the TRA is finalizing the regulations for issue based on the feedback received. The exercise has already resulted in Oman Post positively engaging with its stakeholders to review their operations and prepare the grounds to compete in the market in an efficient manner.

I thank my colleagues in the TRA and the government for their continuing support and working to carry on with the task of fulfilling the set goals and targets.



# TRA's VISION & MISSION



## VISION

"To have the right regulatory environment to enable the provision of world-class services to all by 2018"



## MISSION

We are the national authority to regulate the telecommunications and postal services sectors by translating government policies into regulations, rules and guidelines and ensuring their enforcement and compliance to enable competitive and sustainable supply of services in order to facilitate access and safeguard the interest of users with respect to price and quality.

# HIGHLIGHTS |

## About this Section

This section highlights the main actions and engagements that the TRA has taken during the year 2016.

## Events & International Representations

### COMEX 2016

As part of engaging with stakeholders to promote consumer awareness, TRA participates annually at major local exhibitions and festivals with the purpose of keeping the public informed of the telecom services. TRA also aims to highlight its role in developing telecom and postal services sectors and its achievements at the local and international levels. Within this framework, TRA participated at Comex 2016, which took place from 12th April to 15th April 2016.

TRA's participation is also aimed at providing awareness to consumers on services, or awareness for their protection, such as from fake mobile devices. Such topics were presented and discussed within the framework of the telecom and postal services sectors. Examples include: International Mobile Equipment Identity (IMEI), Quality of Service and Coverage, Consumer Affairs, Spectrum and the Domain Name.



## The Second Global Forum on Emergency Telecommunications

TRA participated in the Second Global Forum on Emergency Telecommunications held in Kuwait from 26-28 January 2016. Issues of high importance on how information and communication technology can implement the Sendai Declaration adopted by the United Nations Conference on Disaster Risk Reduction held in Sendai, Japan, in March 2015 were discussed. The event provided an opportunity for policy makers and other participants to debate and adopt concrete strategies on how effective disaster risk reduction and management supported by information and communication technology can contribute in Disaster Risk Reduction. Increased knowledge of the role that each of the participating entities could play in giving telecommunications/ICT a central role in disaster mitigation and management was also reviewed. TRA presented on the Role of ICTs in Disaster Risk Reduction. The presentation provided information on Oman Experience on Telecommunication Emergency Plan.





## Global Symposium for Regulators (GSR16)

TRA participated in the 16th edition of the ITU Global Symposium for Regulators (GSR-16) held in Sharm Al Sheik, Egypt during May 11-14, 2016 in presence of more than 500 participants from more than 70 countries around the world, including various stakeholders from the world's information and communication technology (ICT) regulatory authorities and leading technology companies. The theme of GSR-16 was: "Be Empowered, Be Included! Building Blocks for Smart Societies in a Connected World". The symposium focused on a wide range of issues, including artificial intelligence; the 'Internet of Things' and M2M communications; new digital platforms; privacy, trust and cybersecurity; and digital entrepreneurship.

## The 26th Universal Postal Congress

The Universal Postal Congress is the supreme authority of the Universal Postal Union (UPU). It brings together plenipotentiaries of the Union's 192 countries once every four years to discuss the state of the global postal sector and decide on its future.

In 2016, TRA participated in the 26th Universal Postal Congress, hosted by PTT corporation, under the auspices of the Ministry of Transport, Maritime Affairs and Communications, and the event took place in Istanbul, Turkey. Two thousand (2,000) representatives from 155 countries participated in the congress, where they discussed more than 450 proposals. Some of the major proposals presented by TRA that were adopted are as follows:

- New Convention article 20bis specifying custom clearance procedures.
- Congress resolution instructing the UPU to work with the World Customs Organisation to develop improved, non-discriminatory customs procedures for packages.

## The International Telecommunication Union (ITU)'s Regional Forum on ICT Measurements

TRA participated in the International Telecommunication Union (ITU)'s Regional Forum on ICT Measurements that took place in the United Arab Emirates during the period 13-15 December 2016. The aim of the event was to strengthen the capacity of countries in the region in developing national statistics and indicators and targeted officials responsible for the collection and production of ICT statistics. At the invitation of the ITU, TRA presented Oman's experiences relating to coordination issues between producers and users of data. Moreover, TRA highlighted the inherent challenges related to coordination between producers and users of data, how they were addressed as well as improvements that may be implemented in the future to strengthen the link between producers and users of data.

## Telecom Forum: Law, Regulation & Enforcement

In order to address various relevant government agencies in addition to the judicial and public prosecutions authorities regarding the legal framework of the telecom services and networks and to clarify regulations and agreements regulating internet and services security to combat electronic crimes, prevent violations of rules, regulations and license conditions, in addition to illegal networks and the avoidance of their negative effects, TRA hosted a three-day Telecom Laws & Regulations Forum during 9th-11th February 2016. A group of experts and representatives of the telecommunication industry participated in the forum.

The forum discussed a number of key themes including: The international agreements regulating the telecommunications services, technical and legal framework of the telecom services license, regulation and protection versus promotion of competition, access disputes and open access policies and license compliance and remedies in the event of non-compliance. In addition, the forum discussed the non-compliance with license conditions and enforcement; civil liability of telecommunications companies for their technical work; damages and compensation under civil and criminal law in the case of cyber-crime; and telecom network damages and compensation.



## ITU-ITSO Workshop

In order to raise the knowledge of national capacity in the field of satellite communications, TRA hosted ITU/ITSO Arab Regional Training workshop on VSAT and Satellite Systems: Broadband Services over Satellite. It was held in Muscat during 13-17 March 2016. This workshop aimed to provide participants with knowledge on the use of Satellite Systems for delivering broadband services and broadband connectivity as well as broadband technologies associated with Satellite Systems. Moreover, it also aimed to assist participants to understand how to better deploy the satellite broadband technologies and assess VSAT and Satellite Systems.

The workshop also covered the ITU roles in regulating the Satellite Radiocommunication services and relevant publications/circular letters that Administrations need to review and furnish the ITU with comments in order to protect their frequency resources.

## Awareness Campaigns

### International Mobile Equipment Identity (IMEI) Awareness Campaign

In 2016, TRA launched an awareness campaign on fake mobile devices. This campaign aims to alert users on the health risks associated with purchasing and using counterfeit phones. This campaign came at a time when this phenomenon is witnessing a significant increase and when users' complaints about the low quality and a much shorter lifespan of fake phones. The fake devices are of poor quality and low efficiency that may affect the quality of the communications networks.

TRA cooperated with Groupe Speciale Mobile Association (GSMA) Global to provide us with the database of the genuine mobile devices manufactured internationally with the aim to reduce counterfeit phones in the local markets. TRA used this data to guide the users of telecommunication services in the Sultanate on how to use the International Mobile Equipment Identity (IMEI) to check the identity of the mobile phone they want to purchase.

A mechanism has been implemented to allow the mobile subscribers to send the "IMEI" numbers of the mobile handset they want to purchase via an SMS and the sender will receive confirmation text on the originality of the device.

## Publishing Retail Tariff Digest

Further to the aims to provide necessary awareness about prices of telecom services, a tariff digest was prepared and published twice in 2016. This digest is a brochure that provides quick comparison of retail tariffs of different service providers. This comparison is helpful for the consumers to choose from the available options to better suit their needs. The digest has been made available on the TRA website.



### Awareness Campaign on Internal Cabling Guidelines

TRA released the internal cabling guidelines which includes wiring standards. These guidelines represent a significant technical guide for construction engineers and consultants and owners of residential and commercial buildings.

Due to the importance of these guidelines, TRA carried out an awareness campaign on internal cabling. These guidelines are important to ensure the availability of a fast internal telecom network for all the premises and the possibility of connecting future telecom services such as security systems and smart house technology.

## International Cooperation



### MOU with Jordan

In April 2016, TRA signed a Memorandum of Understanding (MOU) with Jordan with aims to promote the development of cooperation in matters of mutual interest through the exchange of ideas, information, personnel, skills and experience which will be of reciprocal benefit to both Parties, in the field of regulating the telecommunication and postal sectors.



### Preparation works for World Radio Communication Conference in 2019 (WRC-19)

In order to continue being the leader in the region for the preparation works of WRC-19, TRA provided the assigned GCC team for WRC-19 preparation with 10 working documents including new working mechanisms for the team and other contributions that protect the interest of the country in radio spectrum affairs. The GCC team approved the proposed mechanisms with thanks and appreciations for efforts of TRA in this regard. Moreover,

TRA provided the regional team which is the Arab Spectrum Management Group (ASMG) with a more detailed and comprehensive working mechanism that was partially approved and remaining parts were forwarded to the next ASMG meeting in order to allow more time for Arab Administrations to review and give their comments.

**TRA was elected as Vice Chairman of ASMG for the period 2016-2019.**

**TRA is a Vice-Chairman for the Conference Preparatory Meeting (CPM) for the WRC-19.**

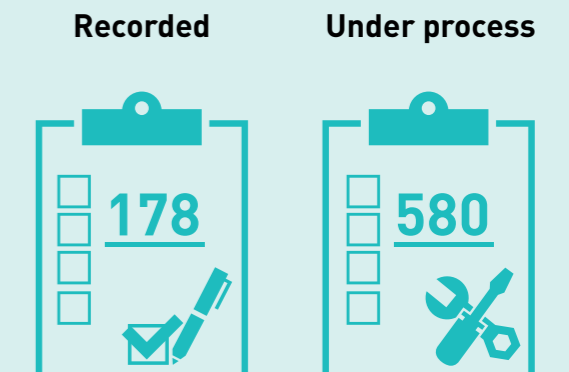
### Notification Project

In order to ensure the full protection of TRA licensed frequency assignments from harmful interference against existing & future international terrestrial & space systems, TRA initiated a project towards notifying ITU with the TRA licensed frequency assignments. Moreover, following the successful notification processes, TRA continue to submit recording requests to ITU with respect to the successful notified frequency assignments in order to have the full rights to be internationally protected as per Radio Regulation provisions. This project used the dedicated tool available in Advance Automated Spectrum Management System (AASMS). As a result of these efforts, 758 Assignments were notified and 178 Assignments were recorded in ITU Master International Frequency Register (MFIR) by the end of November 2016.

### Update & Publication of The National Spectrum Allocation & Assignment Plan

The National Spectrum Allocation & Assignment plan has been revised and updated according to the results of the World Radio Communications Conference (WRC-15) and reflects the modifications and the decisions adopted by the Conference. The allocation table provides the general plan for spectrum based on Article 5 of ITU-R Radio Regulations. The modifications also were done to the frequency assignment table to reflect the latest modification of the TRA decision 133/2008: Regulation Organizing the Registration and Utilization of Frequencies and Radio Equipment and their pricing. A new version of the national plan is available on the TRA website and the Plan is being updated every four years followed by World Radio Communications Conference.

#### Number of Notified Assignments



# SECTORS PERFORMANCE

## About this Section

This section displays the statistics and performance of the various sectors that are part of TRA's mission.

These statistics include the following:



## Telecom Market Performance

- Market Statistics of Telecom Service Providers
- Quality of Service Performance
- Tariffs



## Postal Sector Performance



## Domain Name Statistics



## Radio Licenses Statistics



## Type Approval Statistics

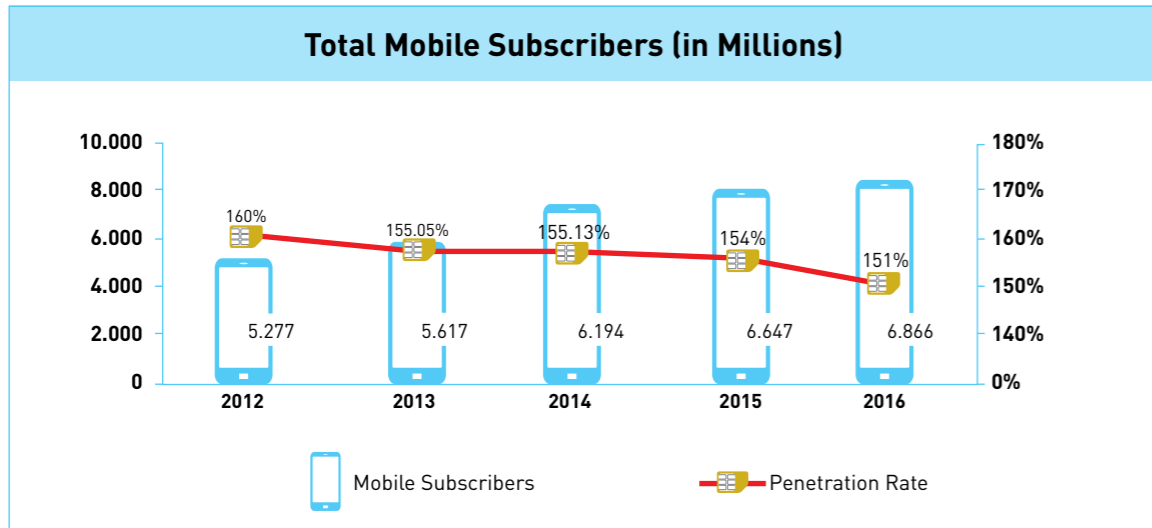
## TELECOM MARKET PERFORMANCE

There has been a steady growth in all segments of the sector boosting fixed and mobile subscriber base and an increase in the broadband uptake.

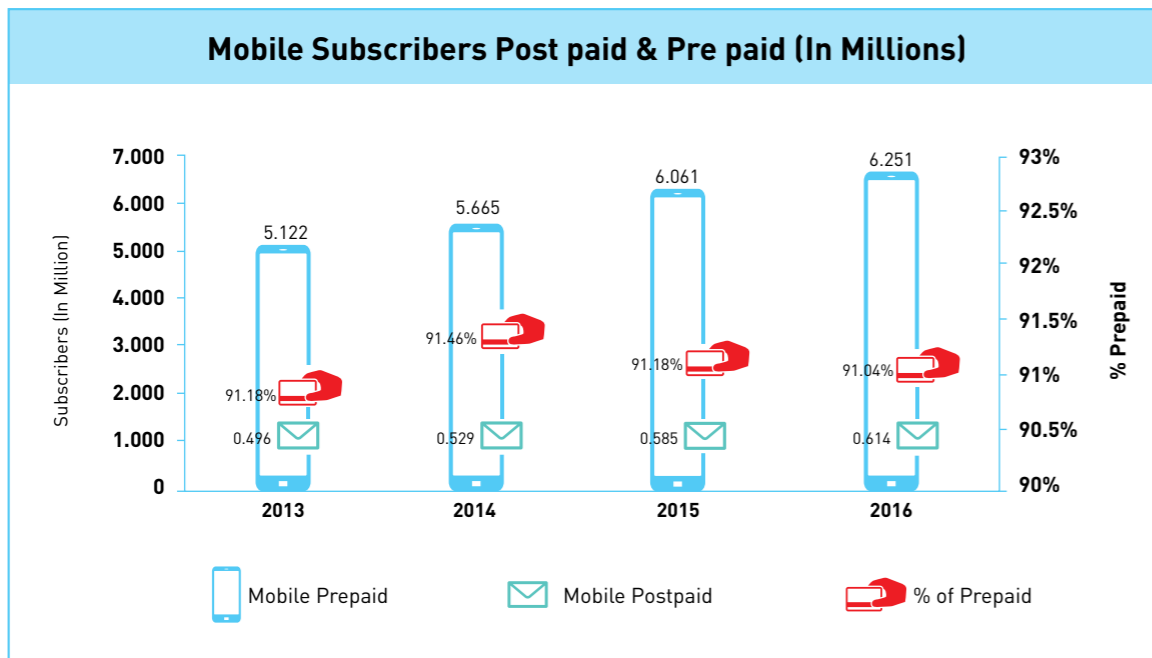
### Telecom Market Statistics of Service Providers

The following graphs display the statistics of the telecom sector for various services.

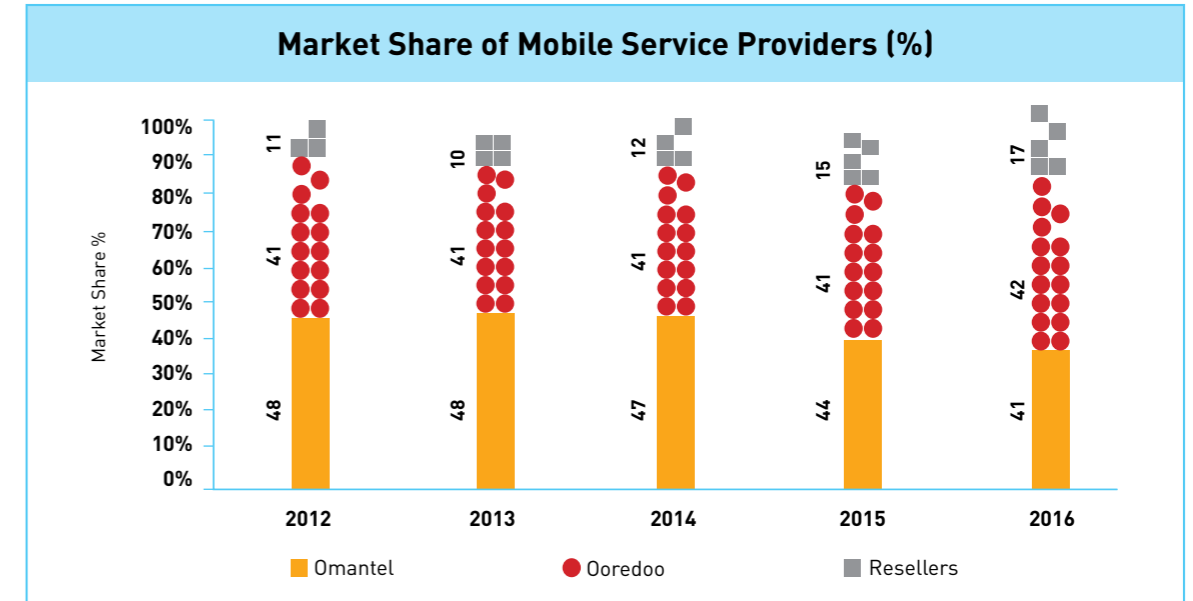
## Mobile Services



The **Mobile Subscribers reached 6.866 million** subscriptions by the end of 2016 with an increase of 219,000 subscribers. Moreover, even though mobile subscriptions were steadily growing during the last five years, the drop in the mobile penetration rate in years 2015 & 2016 was due to recasting of population estimates by National Center for Statistics and Information (NCSI).

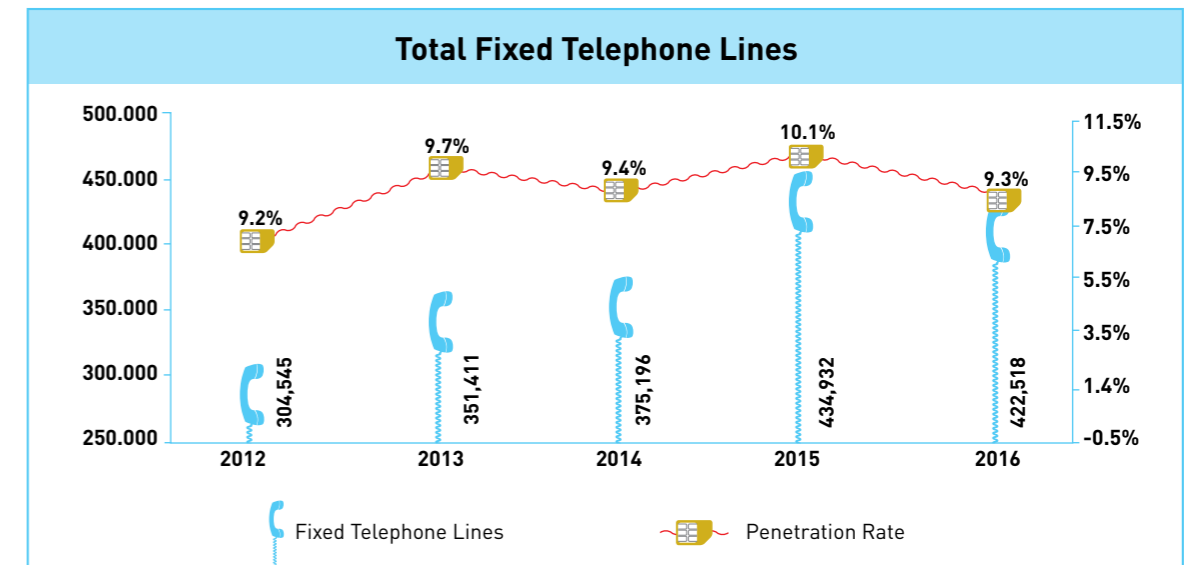


The **Mobile prepaid represents 91.04%** of the total mobile subscriptions with 6.251 million subscribers. The mobile postpaid reached 614,000 by the end of 2016.



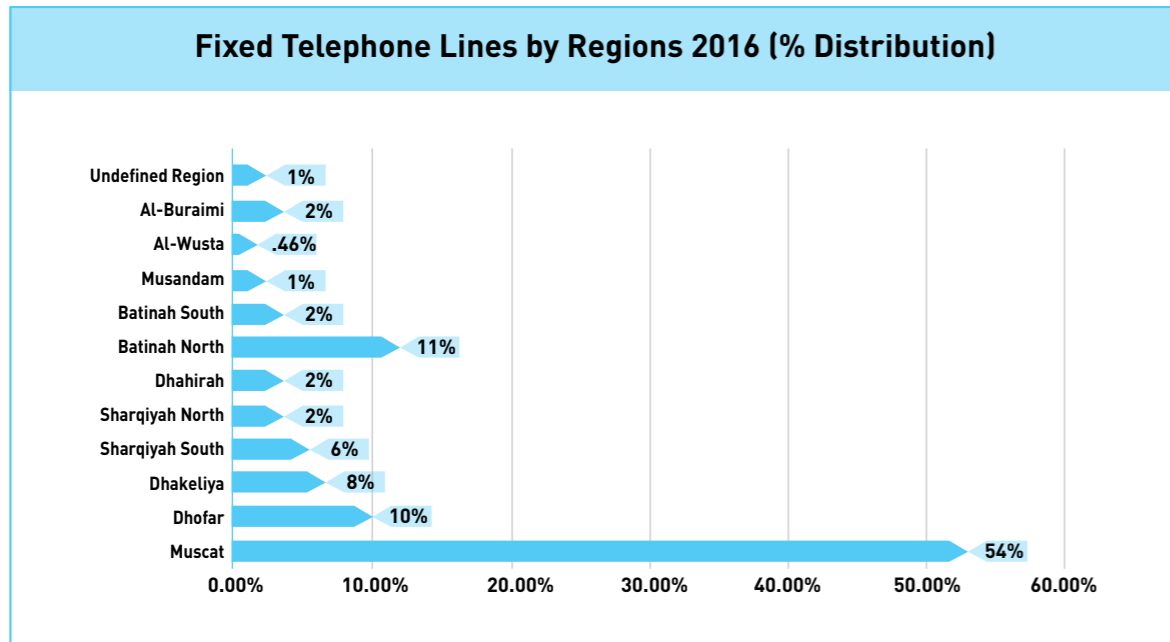
**Omantel represents 41%** of the total market share, while Ooredoo and Mobile Resellers represent 42% and 17% respectively. The trend shows the market share of resellers is growing steadily.

## Fixed Services

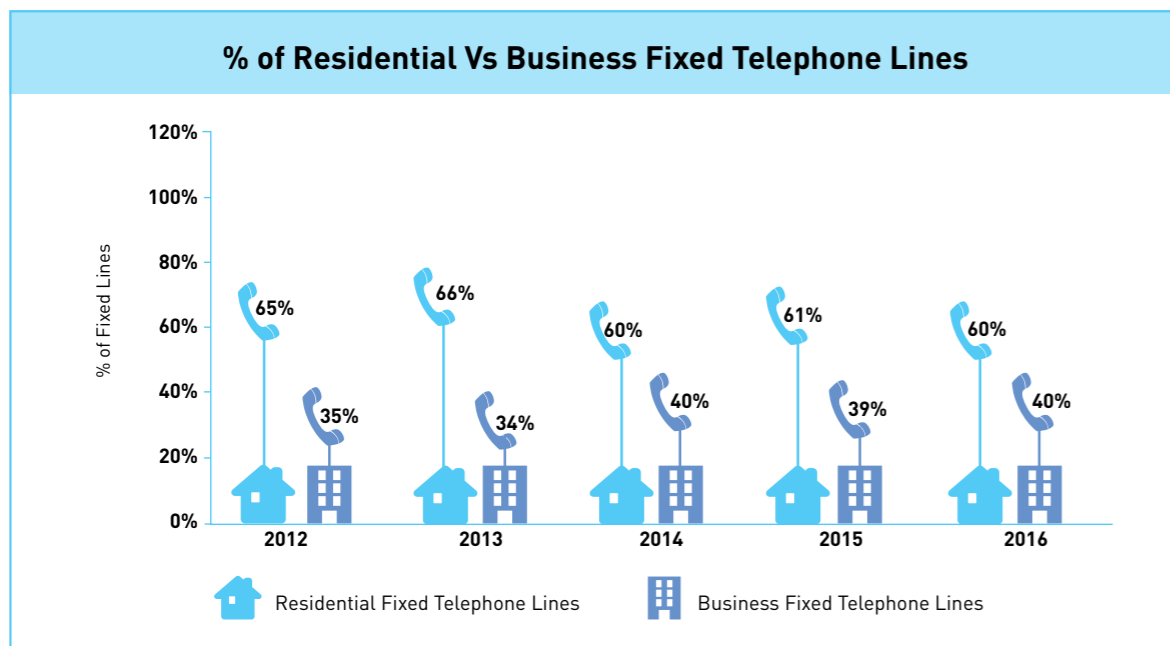


The year 2016 ended with 422,518 fixed Telephone Lines. This shows a drop of 3% over the previous year. This decline is caused by the technical adjustments in the previous calculation of this indicator by the service providers as per ITU standard.

The fixed line penetration rate in terms of inhabitants decreased from 10.1% in 2015 to 9.3% in 2016.

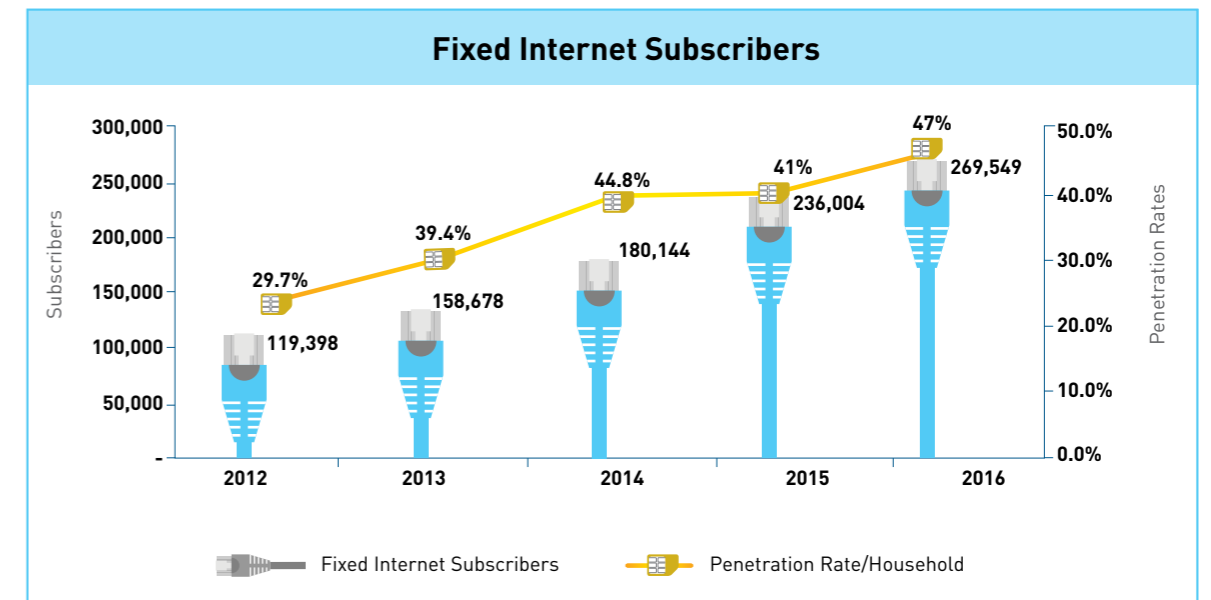


Slightly more than half of the total fixed lines are within Muscat Governorate as shown in the chart as 54%. Following Muscat, Batinah North is the highest among the rest of the governorates, while Al-Wusta has the lowest percentage of subscriptions.

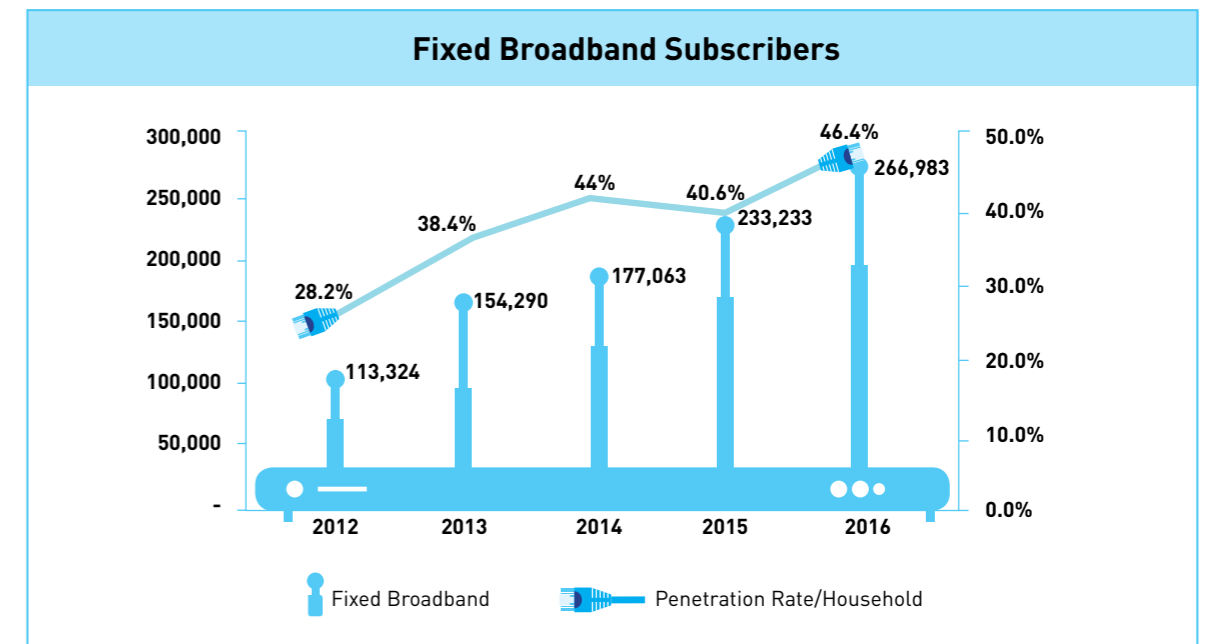


The composition of **Residential & Business fixed lines changed to 60% and 40% respectively** in 2016.

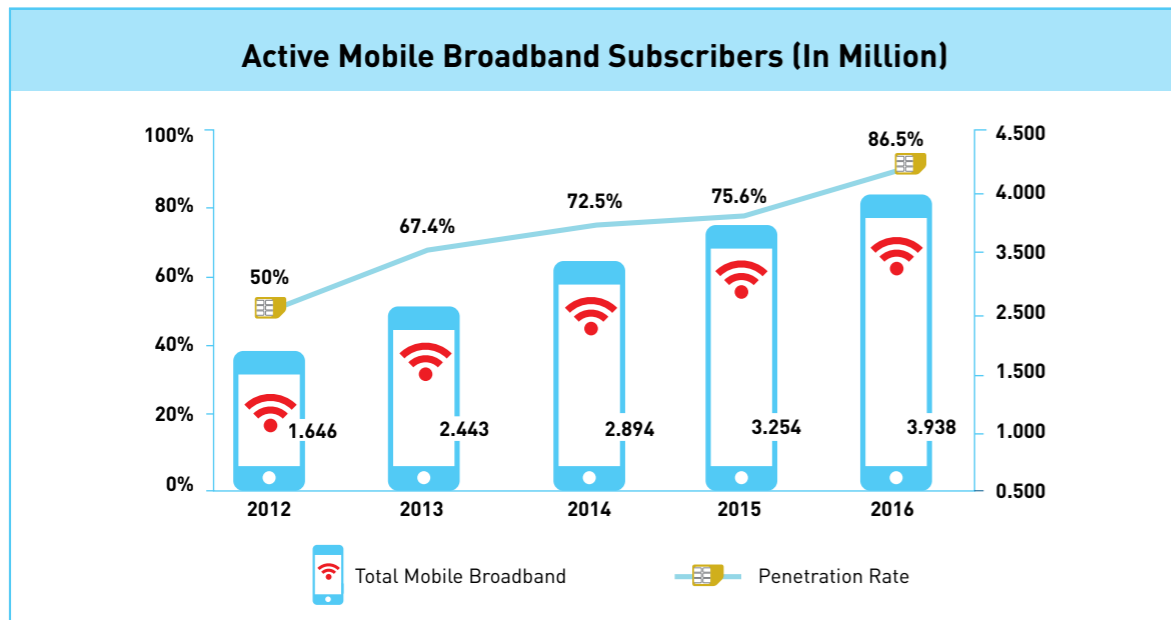
## Internet Services



At the end of year 2016 there were **269,549 total Fixed Internet subscribers** showing an increase of 14% against the previous year and reflecting a 6% increase in the penetration as shown in the graph.

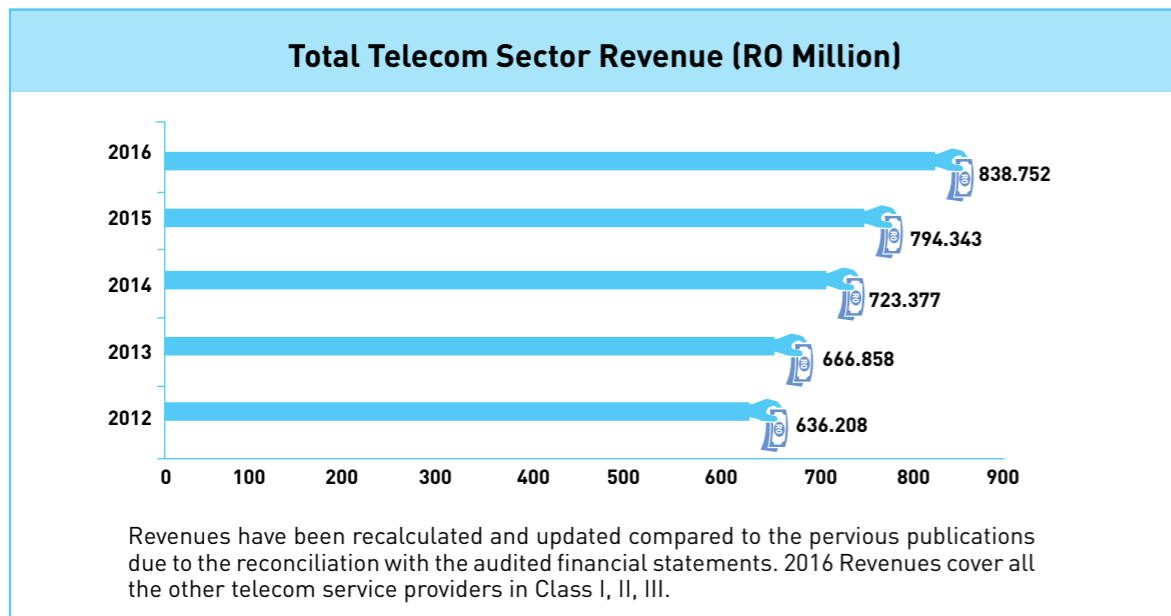


The Fixed Broadband subscribers including DSL, fixed wireless, FTTH, Internet Leased Lines, and others have grown by 14.5% over the previous year and reflecting a 5.8% increase in the penetration per household.

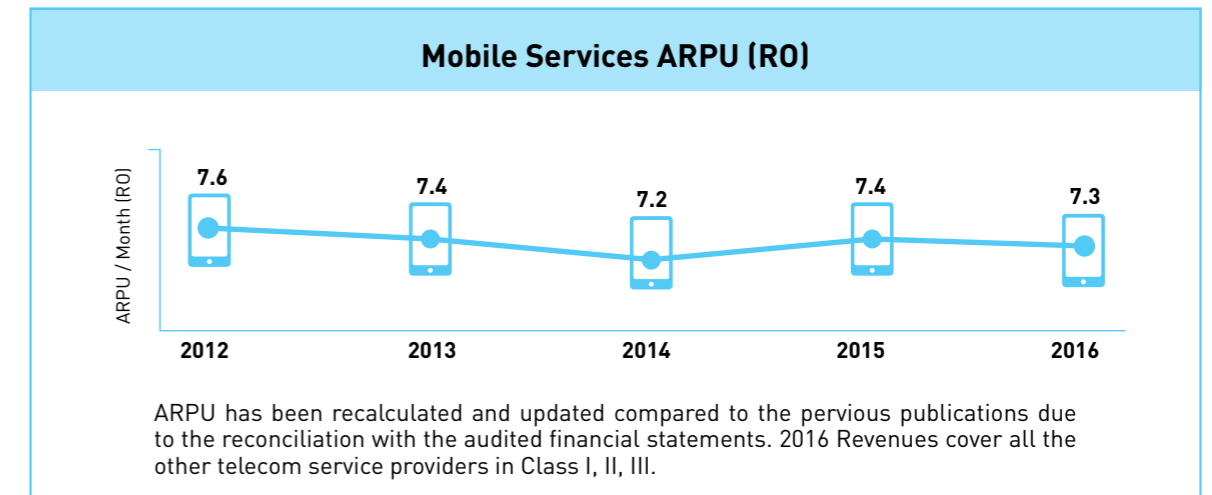


By the end of 2016, the **Active Mobile Broadband subscribers increased to 3.938 million.** Mobile Broadband penetration per inhabitants increased to 86.5% by end of year 2016.

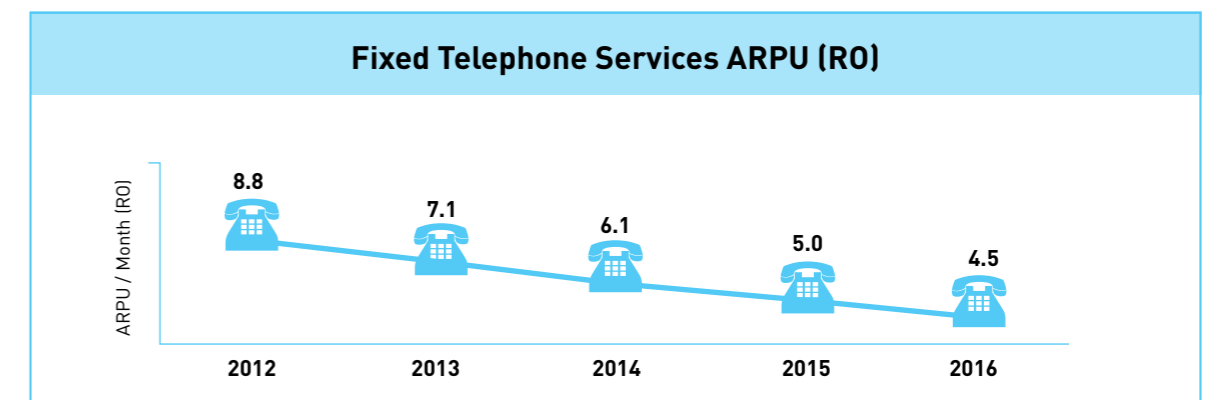
## Telecom Revenue



The Telecom Sector (all Class I, Class II, Class III licensees in operation) generated total Revenue of RO 838.752 million during year 2016 achieving 5.6 % growth over the year 2015. Out of total revenue, 71.6% is coming from the mobile services, while 28.1% from fixed services, and the remaining 0.3% is contributed by other telecom services.

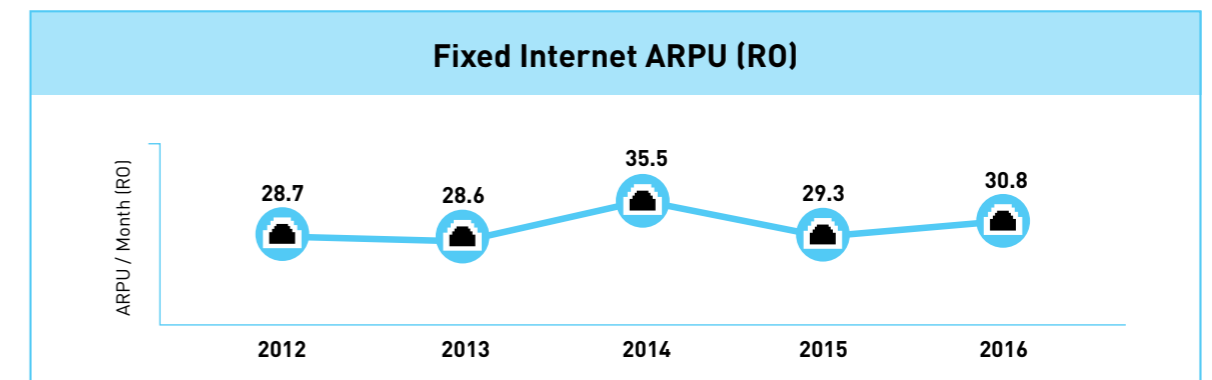


The average revenue per mobile subscribers decreased to RO 7.3 by end of 2016.



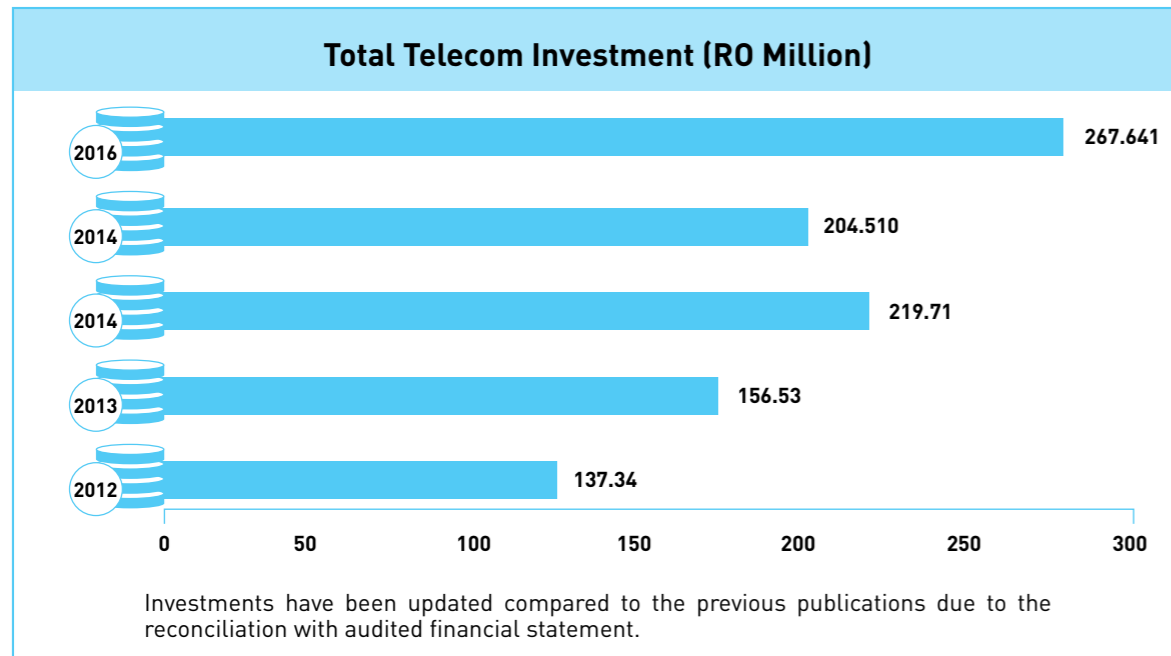
\*Includes fixed telephone subscriptions

The ARPU from fixed telephone services has been experiencing constant decrease over the last four years reaching RO 4.5 by end of 2016.

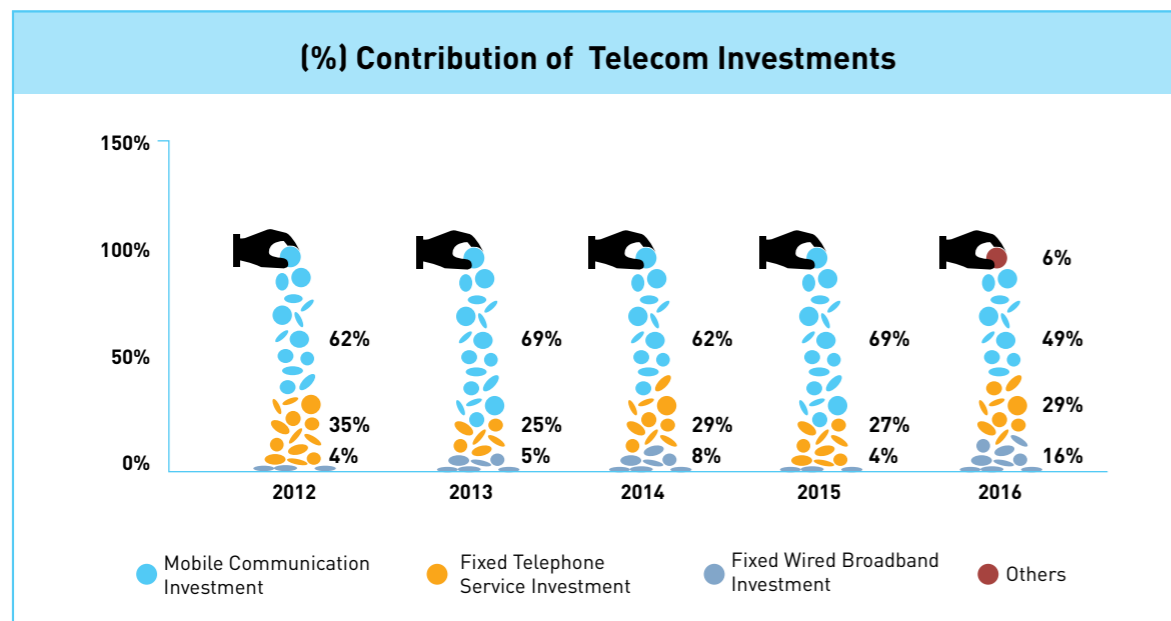


The ARPU for fixed internet services has increased to RO 30.8 showing 5% increase during 2016.

## Telecom Investment

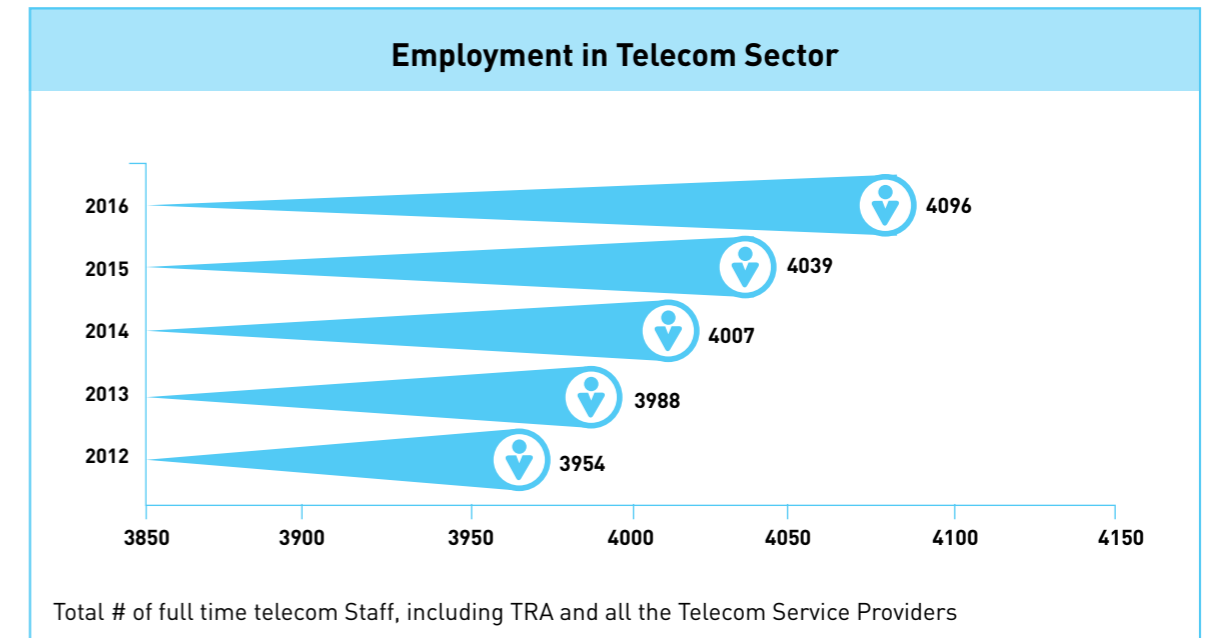


**Total telecom investment of 2016** covering all the telecom service providers (Class I, Class II, Class III) **increased by 30.9%** from 204.510 million RO in year 2015 to 267.641million RO in year 2016.

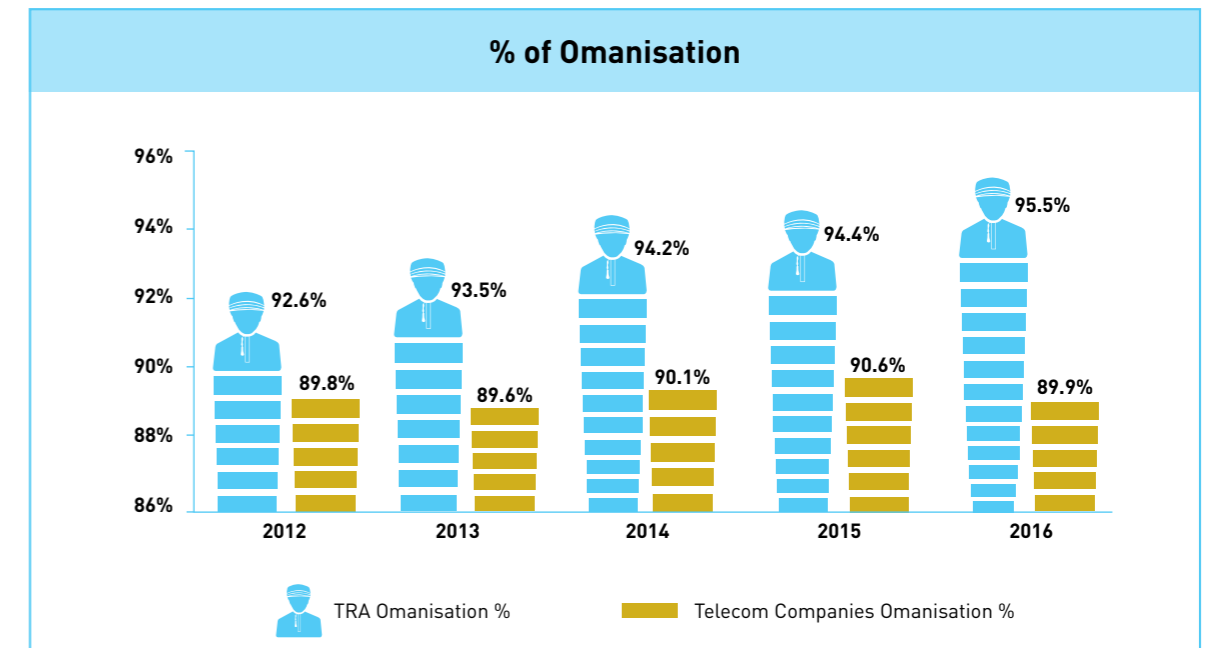


**The composition of investment** in mobile, fixed, fixed Broadband networks, and other telecom services changed to **49%, 29%, 16%, and 6%** respectively from their 2015 ratios.

## Telecom Employment



**The full time employees** of the telecom sector including TRA and service providers reached **4,096** staff by end of year 2016. This includes Class III licensees also.



**TRA achieved 95.5%** Omanisation by the year-end. Also, Telecom Sector Achieved **89.9%** Omanisation by the year end.



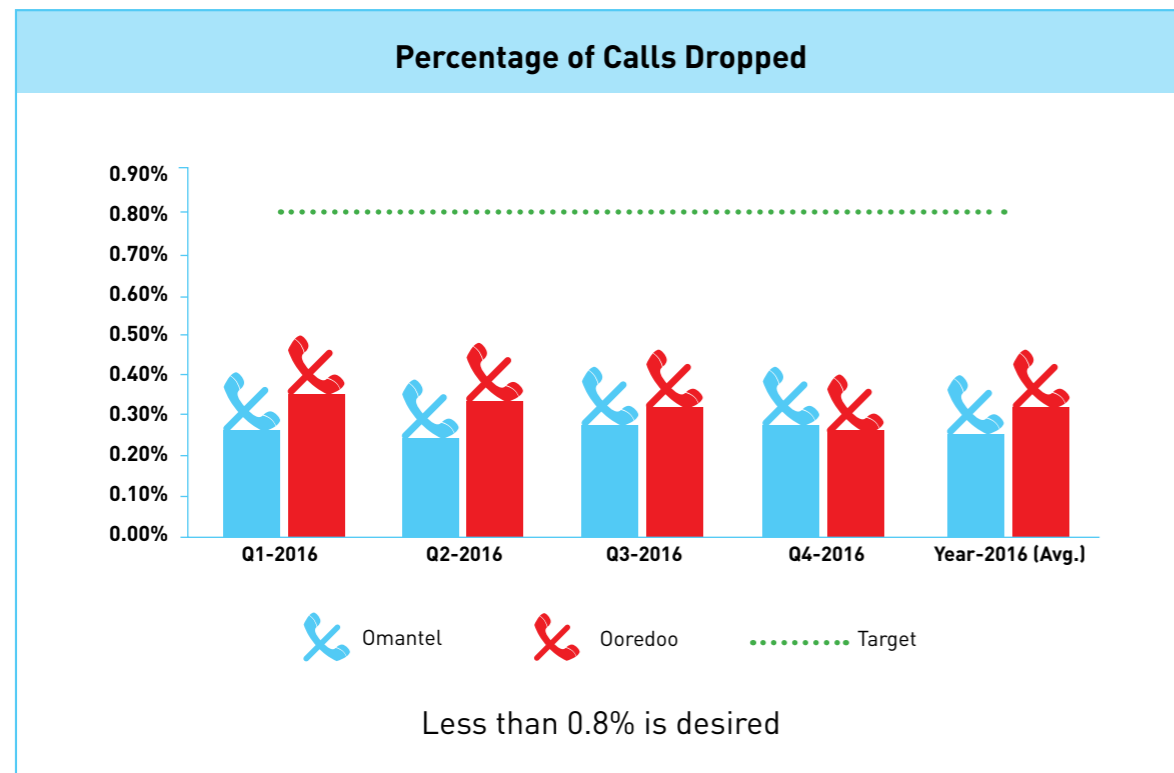
## Quality of Service (QoS) Performance

The Quality of Services key performance indicators (QoS KPI) reporting and periodic network benchmarking reporting take place in the following manner:

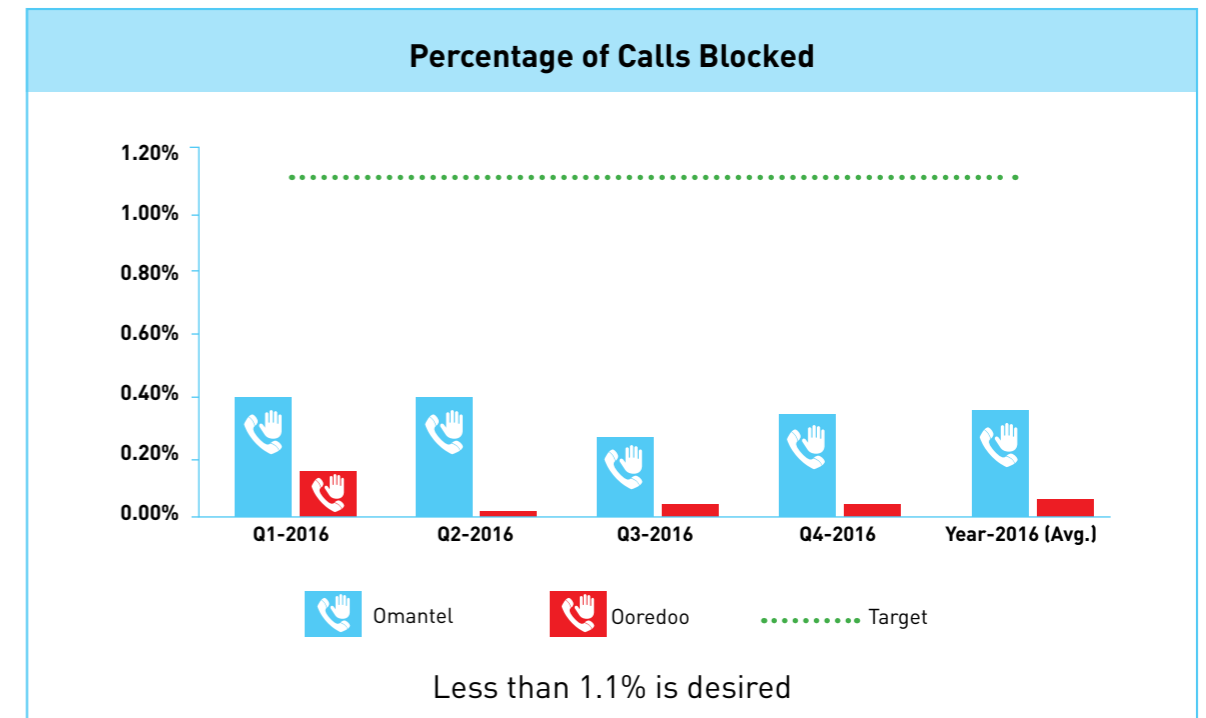
- a) An audit of QoS KPIs gets done independently on a sample basis in a periodic manner.
- b) Periodic network benchmarking tests are conducted by TRA to get a view of the service provider's mobile network performance in different regions of the Sultanate. The results are published on the TRA website to create awareness among the users on the performance levels of different operators in their areas.

The graphs below illustrate some of the main QoS KPI reported by Omantel and Ooredoo during year 2016:

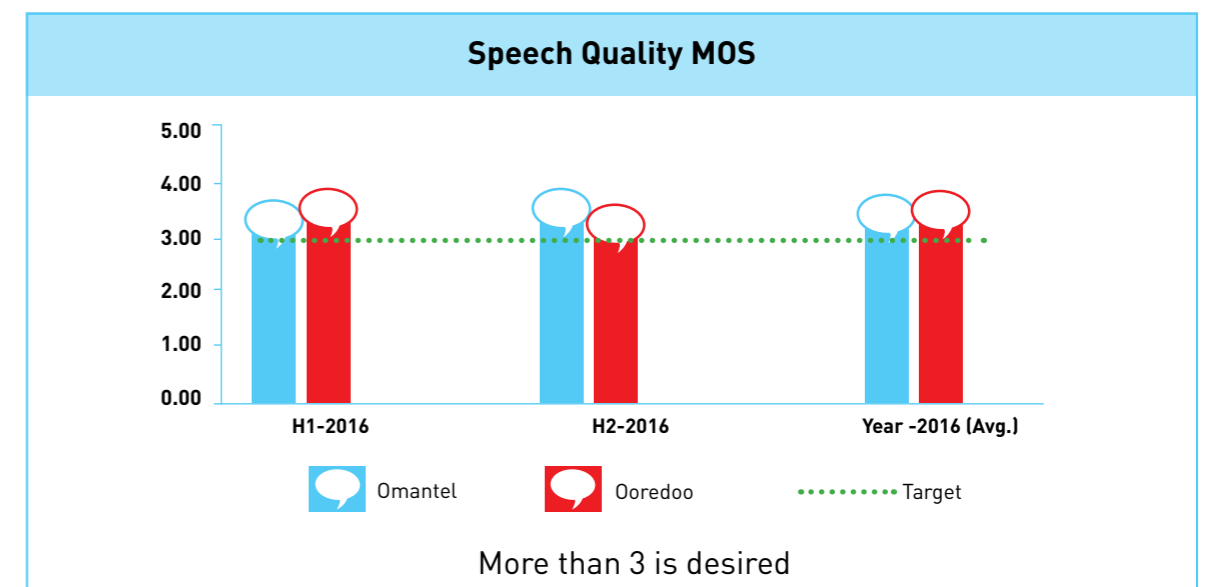
### Mobile Service



**Drop Call Rate:** This indicator is used to measure the percentage of calls dropped due to technical problems or coverage gaps in the service provider's network as a ratio of the total number of calls successfully established.

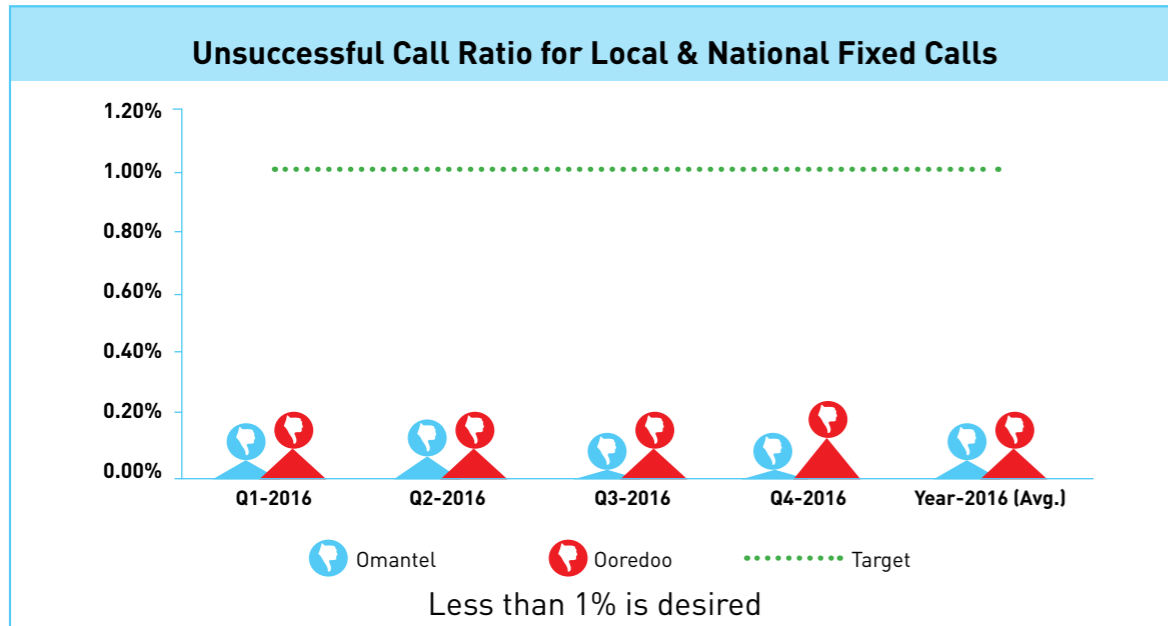


**Block Call Rate:** This indicator is used to measure the percentage of calls blocked due to congestion in the service provider's network as a ratio of the total number of call attempts made to access and establish a voice call.

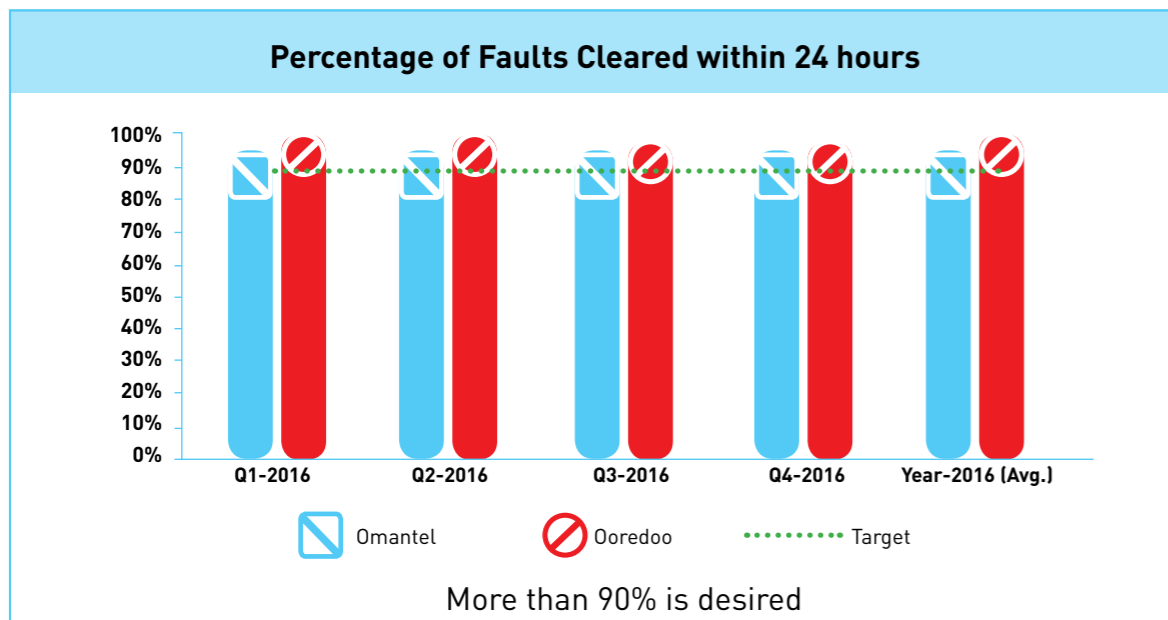


**Speech Quality** is a measurement of end to end (mouth to ear) communication quality for (conversational speech) during a voice call. This measurement is rated based on a 1 to 5 scale which refers to the ITU-T recommendation on MOS (Mean Opinion Score) measurement.

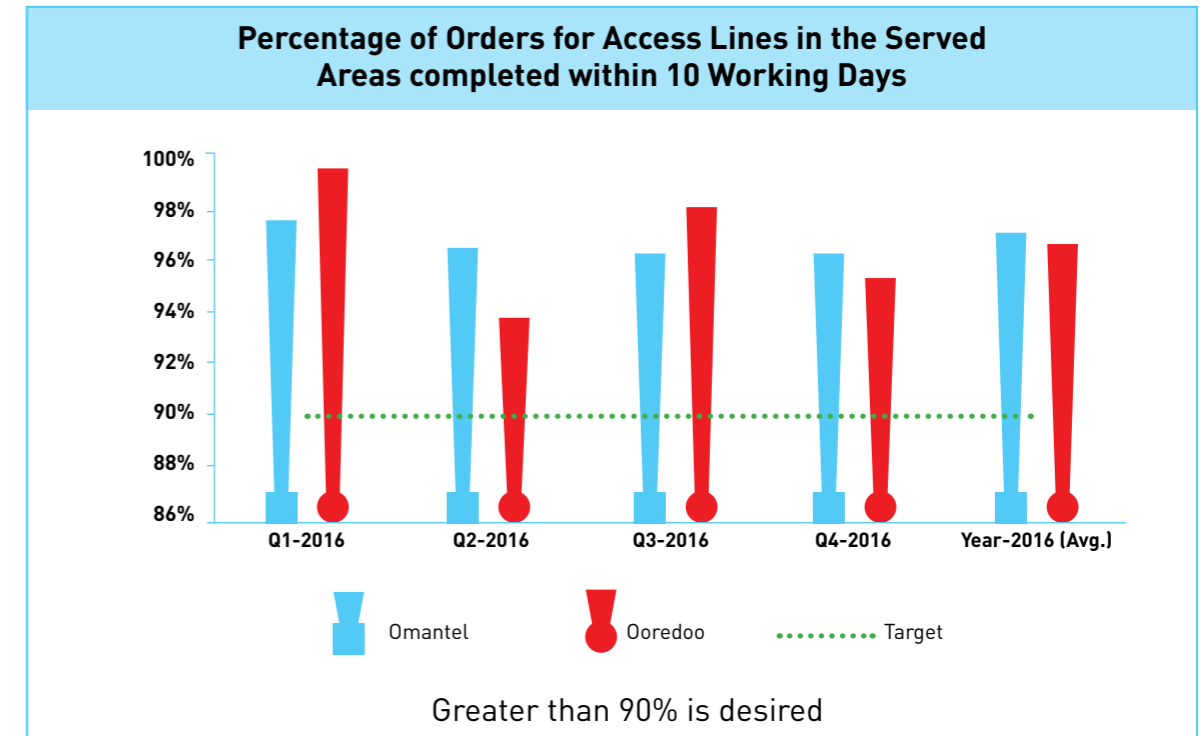
## Fixed Service



**Unsuccessful call ratio for local and national fixed calls:** This indicator is used to measure the unsuccessful local calls from a fixed line i.e. a call attempt that is made to a valid number with all digits dialed correctly following a dial tone, and the calling user not receiving any busy, ring or answer tone within 30 seconds.



**Percentage of faults cleared within 24 hours:** This indicator is used to measure the time taken to clear/resolve a fault from the time a fault is reported to the service provider to the time when the service has been restored to normal working order.



**Percentage of orders for access line in the served areas completed within 10 working days:** This indicator is used to measure the total time taken for a service provider to fulfil a customer order for an access line.

## Tariffs & Competition

### Fixed Broadband

The year 2016 witnessed a number of changes in the prices of the main telecom services due to increased competition in the market. The introduction of Awasr as the third fixed service provider and the launch of their Fiber based broadband services compelled both Omantel and Ooredoo to revise and revamp their fixed broadband plans. As a result, a number of attractive offers have been provided by the service providers during 2016.

### Introduction of Triple Play (IPTV)

The year 2016 also witnessed the introduction of triple play and IPTV into the Omani telecom market. The IPTV plans were enhanced during the year through revisions of home broadband plans.

## Postpaid Mobile Plans

The postpaid mobile market also witnessed some important changes to the permanent tariffs from both operators. The changes on the postpaid tariffs consisted of the following main features:

- Increase in the free voice minutes in the bundles on offer
- Introduction of national call tariffs instead of the previous tariffs which were time based (peak/off peak) or network based (on-net or off-net).
- Reduction of SMS tariffs.
- Higher data volumes included in the data bundles.
- Unified and more attractive out of bundle tariffs for data.
- Add-on plans for voice (national, on-net, international and favorite number), SMS, international calls and data enabling customers to customize their plans and have cheaper options for any additional usage or out of bundle usage.
- Contract benefits such as additional data volumes distributed over a 12 month period and handset discounts with the long term contractual commitments.

## Prepaid Mobile Plans

There has been a number of new additions in the market, such as the revision of the Ooredoo Shababiah plan which was not available to all prepaid users. Omantel introduced new prepaid data plans which included data volumes split through day or night time.

## Corporate Services

In line with the government initiatives to support and develop the Small and Medium Size Enterprises (SMEs) the TRA approved discounted tariffs for the Sanad Services Centres and SME Offices who are funded by Al Raffd Fund. The fixed line telecom providers (Awasr, Omantel and Ooredoo) in cooperation with Riyada will try to provide the SMEs with waivers on some charges and offer discounts on services on the broadband and Static IP addresses. This initiative will reduce the costs of these offices that are significantly reliant on data and other telecommunication services. The educational sector and NGOs are also provided with discounts up to 50% on some of the tariff plans.

The TRA revised the Framework for Closed User Group by reducing the number of SIM cards to be offered to the corporate customers from 5 to 2 SIM cards in order to accommodate SMEs and to enable them to benefit from corporate discounts.

## International Calls

As the international voice call service has been declared as a competitive market, there has been minimal regulation in this market by the TRA. The market players continued to compete strongly, especially Teo and the mobile resellers Friendi and Renna. There has been a focus by the service providers to provide VoIP-based international call service.

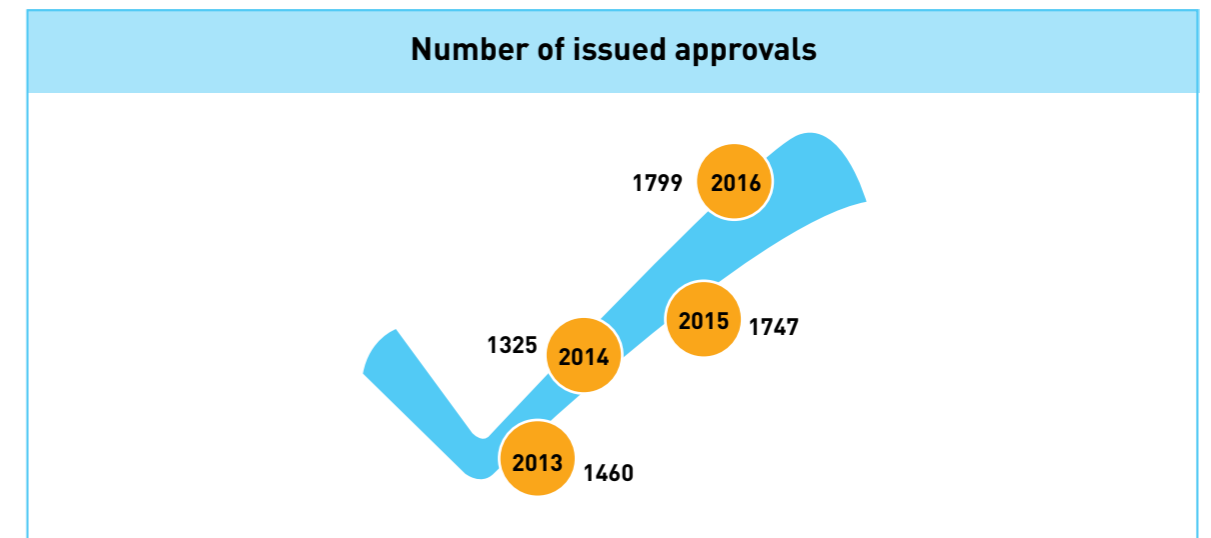
## Roaming

The roaming market has continued to witness a number of new and innovative offers and permanent plans amongst the mobile service providers. Omantel launched their Jawazak roaming plan to a number of European destinations to add to their portfolio of GCC roaming plans.

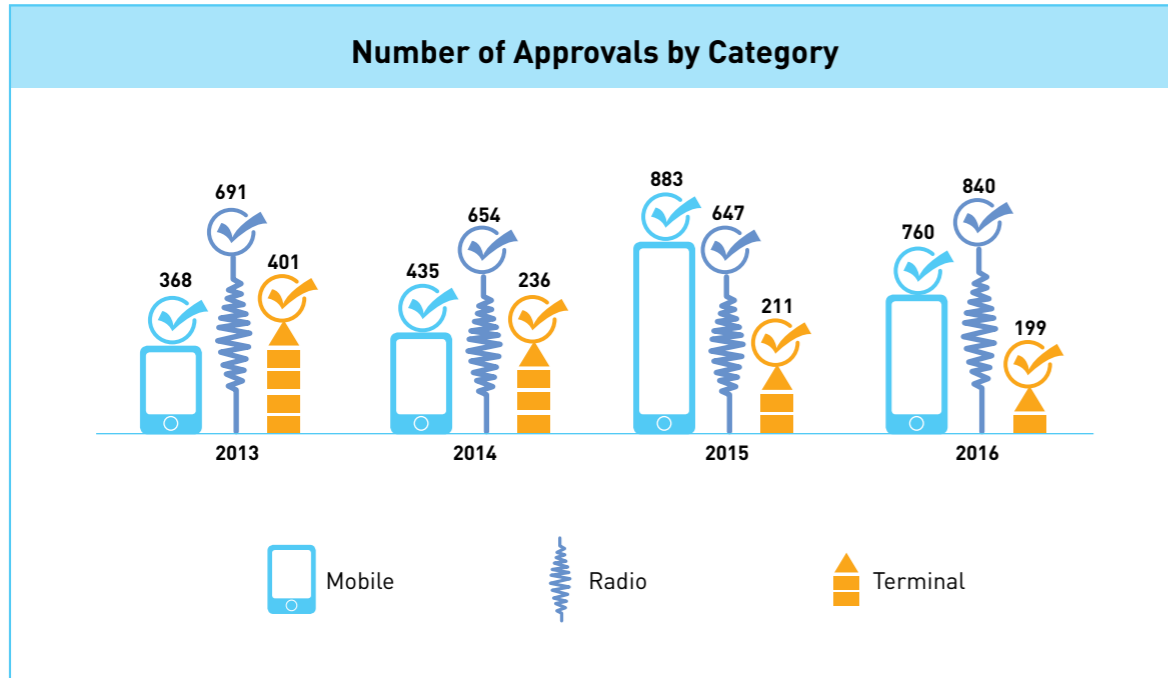
## Type Approval

Safeguarding the interest of users and enabling of access to emerging technology and services are key inputs to TRA in approving the type of equipment deployed in the networks. To meet this objective, the equipment and devices are checked for their authenticity and performance supported by test results carried out by internationally approved laboratories. Type approval ensures elimination of fake devices that may produce radio electromagnetic radiation that could be harmful to the users. The section below displays statistics of TRA's type approval activities.

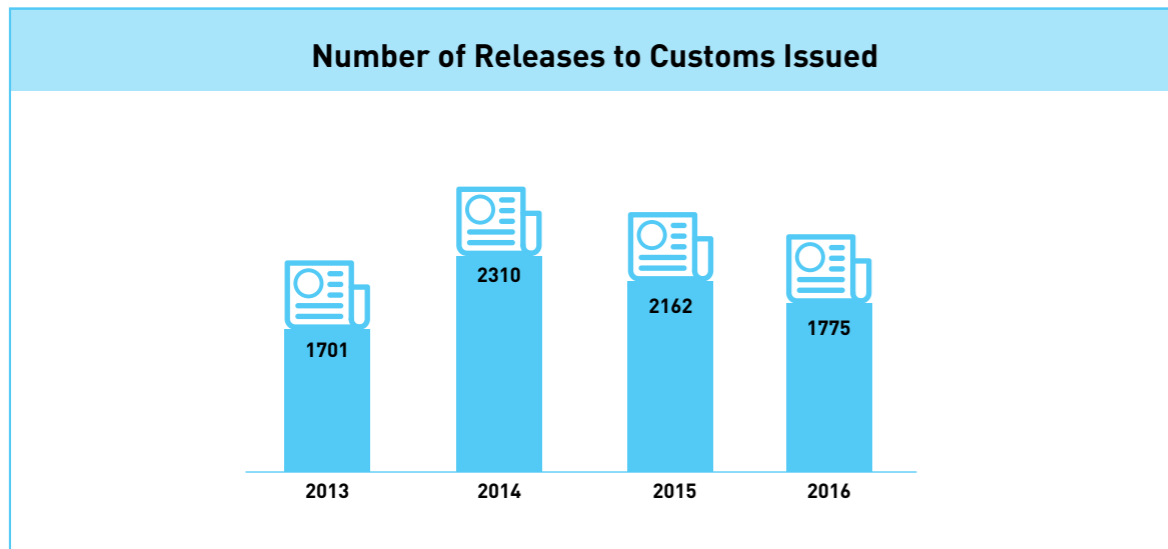
TRA approves telecommunications equipment after checking their compliance with the international standards in terms of safety, electromagnetic compatibility & radio frequency (RF) and conformity with Oman's telecom network. The graph below represents statistics of total number of telecom equipment approved from 2013 to 2016.



The types of equipment and devices approved fall into three categories viz.: mobile phones, radio equipment and terminal equipment. The graph below illustrates the type approved devices in these three categories from 2013 to 2016.

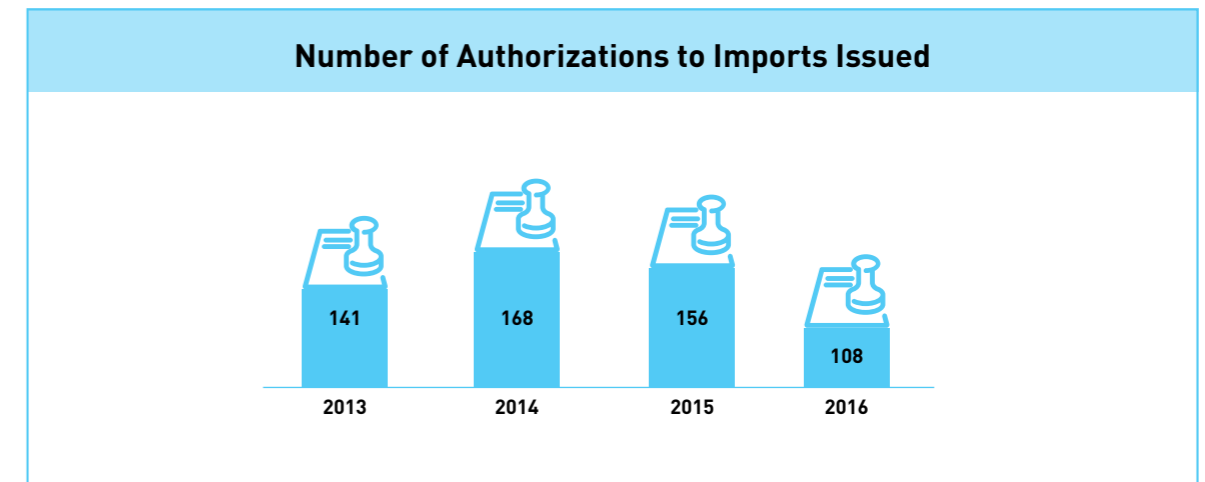


### Number of Releases to Customs Issued



The graph above shows the number of releases issued to Customs from 2013 to 2016.

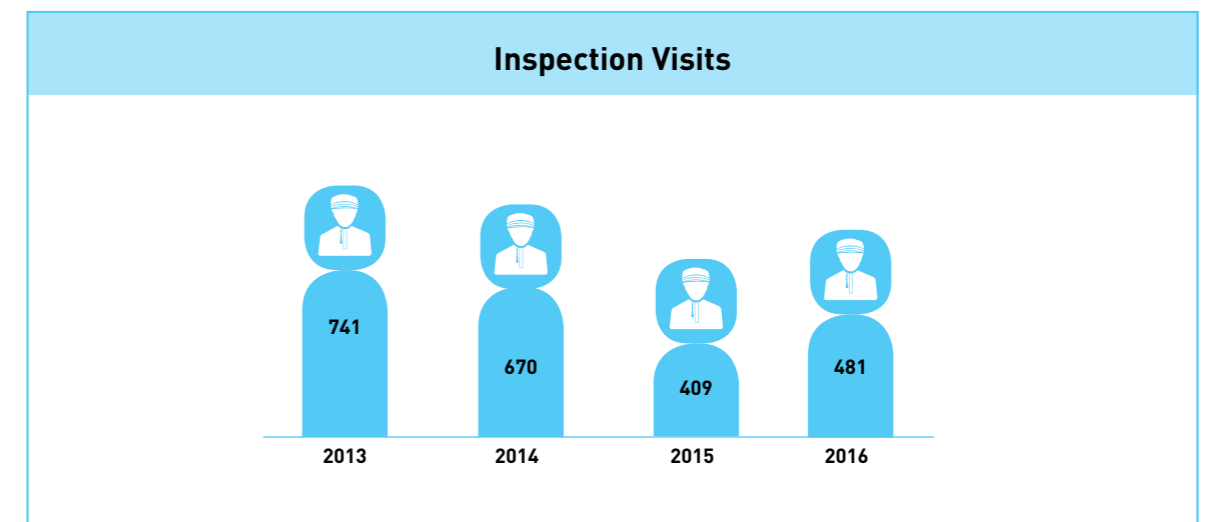
### Number of Authorizations to Imports Issued



The graph above represents the number of authorizations to imports issued from 2013 to 2016.

### Monitoring the Telecom Dealers

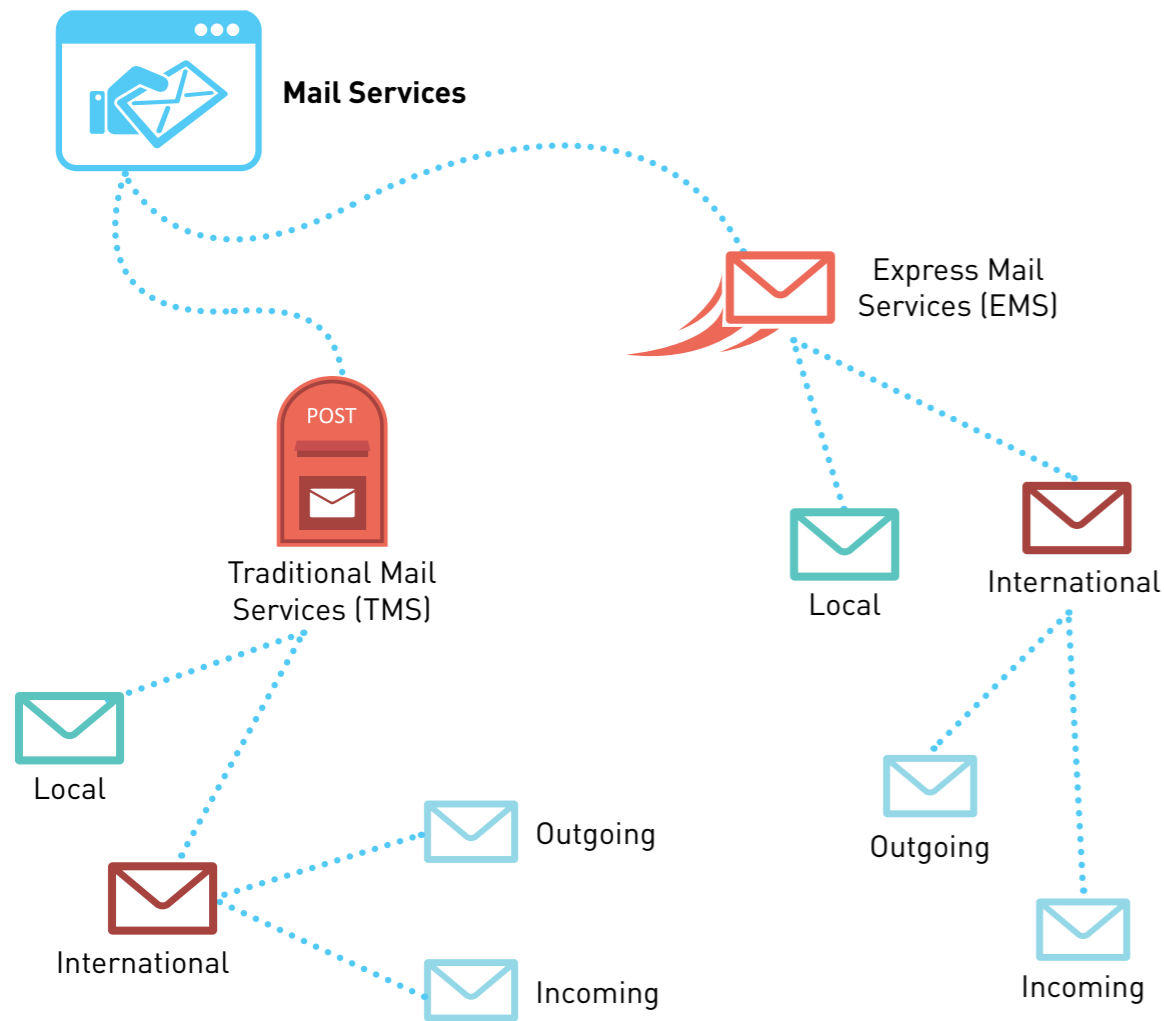
TRA checks the compliance of telecom dealers in selling approved equipment by conducting inspection visits all over the Sultanate. The statistics of the visits are shown below from 2013 to 2016.



## POSTAL SECTOR PERFORMANCE

The postal section highlights the important results achieved by the licensed postal service providers in the Sultanate of Oman in all its activities during the past year, and in particular the good growth in the local number of transactions as well as the significant growth in the number of postal items being utilized through ecommerce.

The figure below displays the classification of mail services.



## Service Provider Details

The following table shows the total number of licensed providers operating in 2016 and the Omanisation.

Serial	Company Name	Activity	No. of Branches	Number of Workers	
				Omani	Expat
1	Oman Post	Traditional Mail, Express Mail	80	499	4
2	DHL	Express Mail	10	59	25
3	Aramex Muscat	Express Mail	4	38	60
4	Elite Enterprises	Express Mail	3	15	27
5	Oman Postal Express (Fed Ex)	Express Mail	5	23	16
6	Gulf Agency Company (Oman) L.L.C (TNT)	Express Mail	3	19	10
7	Falcon Air Services & Transport Co. L.L.C (UPS)	Express Mail	1	13	4
8	Moon Express Cargo L.L.C	Express Mail	1	10	21
9	United Travel (OCS)	Express Mail	1	3	4
10	Muscat Post	Express Mail	1	-	1
11	Blue Moon Inland Cargo Express LLC	Express Mail	3	2	7
12	ATS	Express Mail	1	2	4
13	Ramda Trading & Cont. Est. (Skycom)	Express Mail	1	1	2
14	AL Faghra Trading & Cont. (SkyNet)	Express Mail	1	2	2
15	First Flight Logistics L.L.C	Express Mail	1	1	1
16	The Best Solution	Express Mail	1	2	4
<b>Total</b>			<b>117</b>	<b>689</b>	<b>192</b>

The table below provides details on the number of post boxes and offices by Governorates.

**Oman Post**  
Number of Post boxes and Offices

	Governorates	Mobile Post Boxes	Private Post Boxes	Letter Depositing Boxes	Mail Distributing Agencies	Post Offices
1	Muscat	1,580	29,820	25	-	16
2	Dhofar	-	7,550	23	3	12
3	Musandam	-	1,400	9	-	4
4	Al Buraymi	-	1,320	3	-	3
5	Ad-Dhakhliyah	-	6,550	16	-	9
6	North Al-Batinah	-	6,520	10	-	9
7	South Al-Batinah	-	4,400	12	-	7
8	South Ash-Sharqiyah	-	3,050	8	2	6
9	North Ash-Sharqiyah	-	3,180	10	-	7
10	Adh-Dhahirah	-	3,000	6	-	5
11	Al-Wusta	-	250	-	-	2
<b>Total</b>		<b>1,580</b>	<b>67,040</b>	<b>122</b>	<b>5</b>	<b>80</b>

The table below provides the details of the other EMS providers number of branches by governorates.

**Other Express Mail Service (EMS) Providers**  
Number of branches per Governorate

	Governorates	Number of Branches
1	Muscat	22
2	Dhofar	5
3	Musandam	-
4	Al Buraymi	1
5	Ad-Dhakhliyah	2
6	North Al-Batinah	5
7	South Al-Batinah	1
8	South Ash-Sharqiyah	-
9	North Ash-Sharqiyah	1
10	Adh-Dhahirah	-
11	Al-Wusta	-
<b>Total</b>		<b>37</b>
<b>Total Number of branches in the Sultanate</b>		<b>117</b>

## Statistics

The table below demonstrates the volume traffic of traditional articles being provided by Oman Post in 2016.

**Volume Traffic of Traditional Mail Services (TMS) Items**  
Volume of Transactions of TMS provider during 2016.  
Oman Post

Serial	Item	Local	International Incoming	International Outgoing	Total Volume
1	Registered Mail	93,795	464,073	68,358	626,226
2	Parcel	2,560	17,014	12,618	32,192
3	Other	-	-	-	-
<b>Total</b>		<b>96,355</b>	<b>481,087</b>	<b>80,976</b>	<b>658,418</b>

Ordinary Mail figure is excluded<sup>1</sup>

The table below demonstrates other related traditional volume transactions being provided by Oman Post in 2016.

Serial	Item	Total Volume
1	Waste Articles	1,096
2	Private Mail Bags	15,081
3	Government Transactions	81,046
4	Business Correspondence of Replies	146
5	Other	-
<b>Total</b>		<b>97,369</b>

<sup>1</sup>Ordinary Mail is the number of mail items that is non-traced and usually sent or received in bulk. The Ordinary Mail Figure is excluded from the table due to the inaccuracies in the calculation of Ordinary Mail.

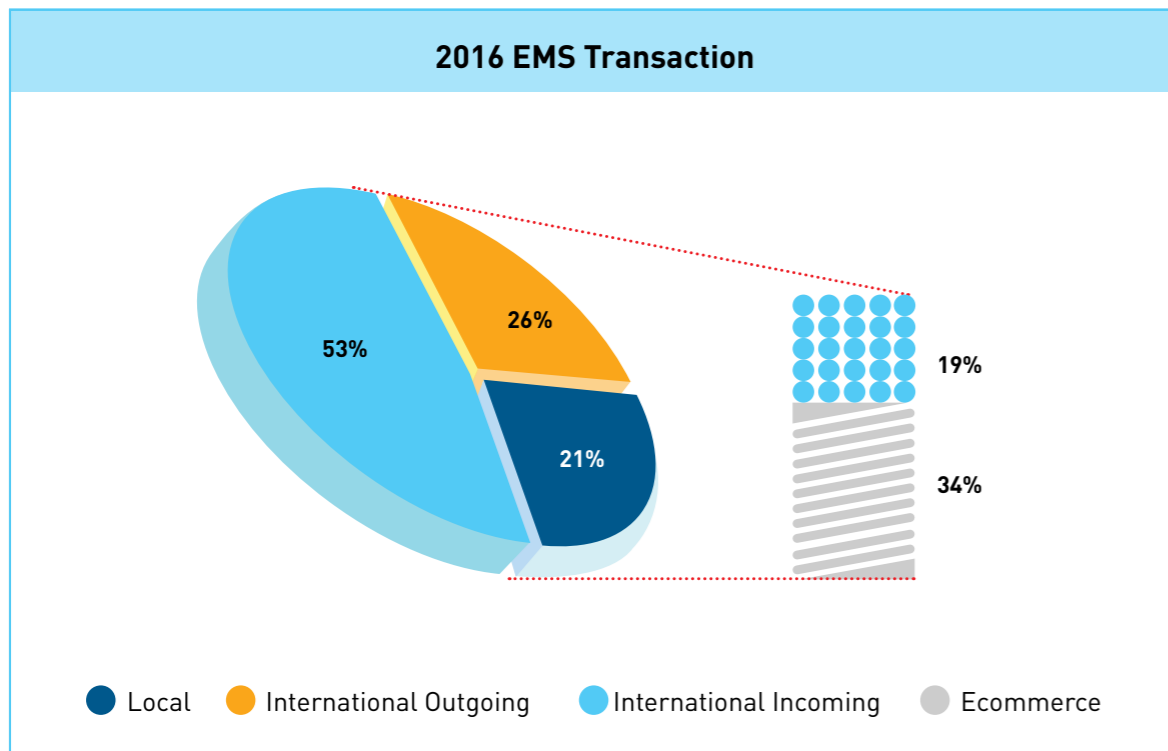
### Volume Traffic of Express Mail Items

Volume of Transactions of EMS providers during 2016

The table below demonstrates the express mail traffic volume transactions being provided by all licensed providers in 2016.

Serial	Item	Number of items
1	Local	237,880
2	International Outgoing	303,815
3	International Incoming	223,509
4	Ecommerce Incoming <sup>2</sup>	389,333
<b>Total</b>		<b>1,154,537</b>

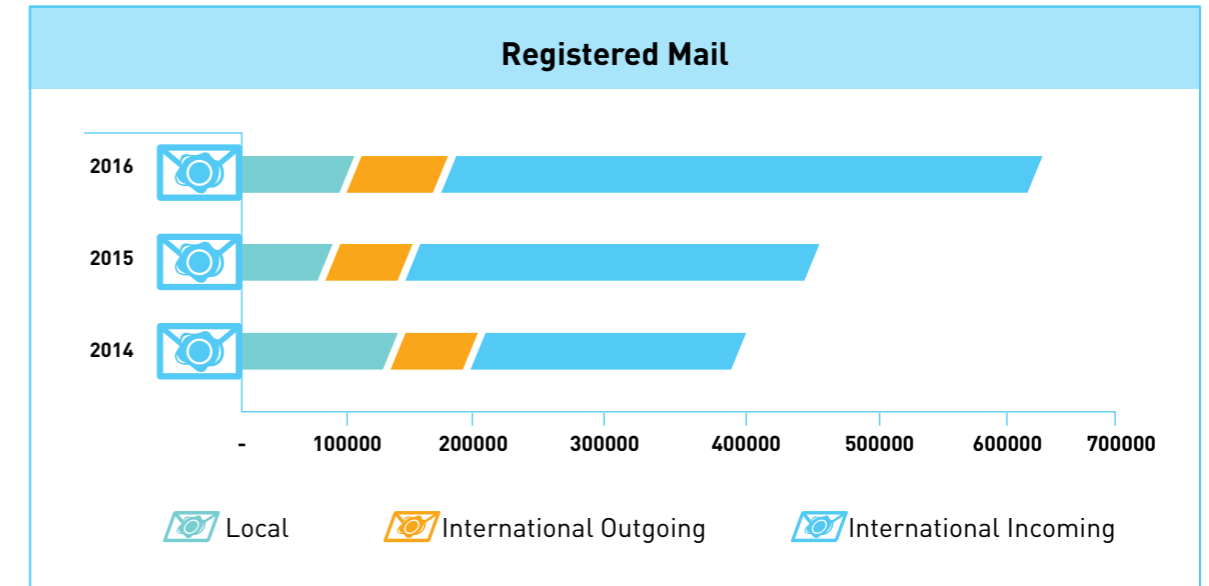
The figure below illustrates the share of the traffic volume of express mail services per transaction for the year 2016.



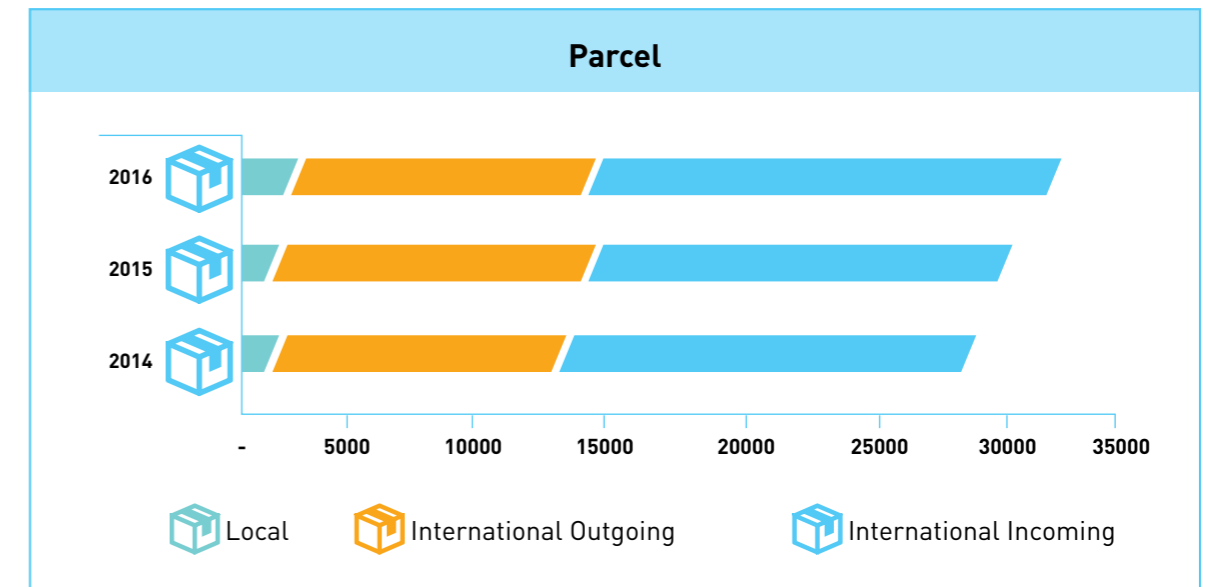
<sup>2</sup>Ecommerce items include only incoming non-document items received by all operators.

### Traffic Indicator

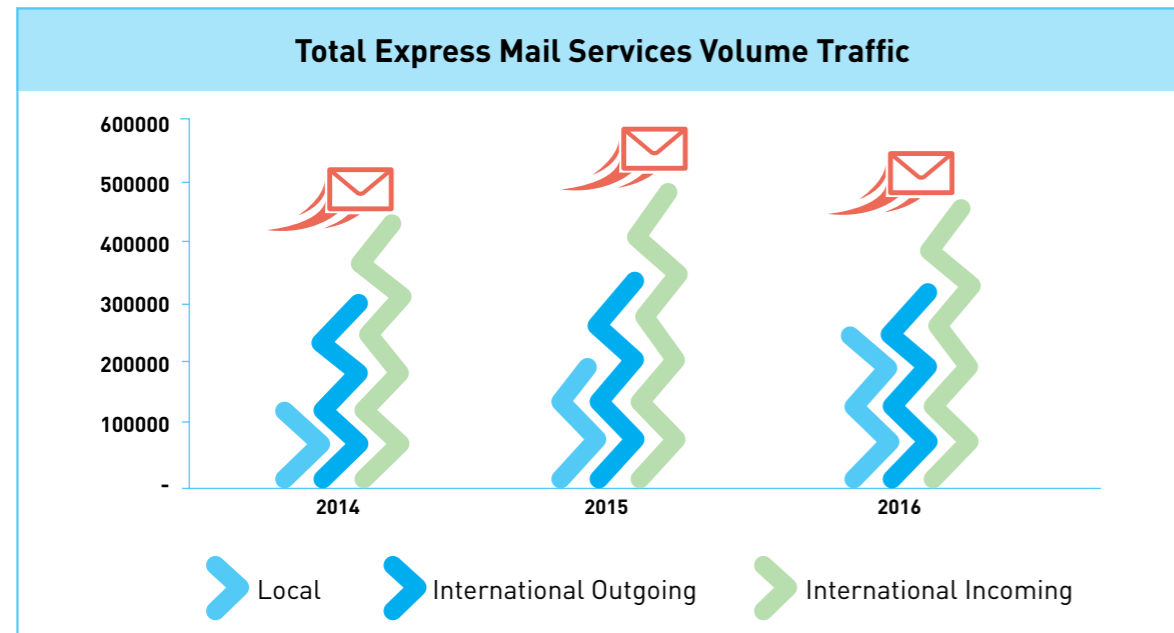
The figure demonstrates the annual traffic volume for registered items from 2014 to 2016 that has been provided by Oman Post.



The figure demonstrates the annual traffic volume for parcel items from 2014 to 2016 that has been provided by Oman Post.



The figure demonstrates the annual traffic volume for Express Mail Services between 2014 and 2016.



Traditional Mail service volumes faces some gaps in the data giving us a limited overview of the total nature of the market. However, with regards to registered mail there has been a significant increase in the international market. Whereas, parcel items, on the other hand, has increased significantly in the local market.

Furthermore, with regards to express mail service volumes, the international incoming express mail items consume the largest share accounting for 53% of the total market. This is an indication on the dynamics of the Omani market, and that the level of incoming volumes into the country is significantly higher than outgoing volumes. However, the international volume items between the years 2015 and 2016 featured a decrease, which could be due to the international economic impact on the country. Whereas, the local express mail items featured a significant increase of 33.95% between the years 2015 and 2016, which was the result of the constant development invested in the domestic market.

### Annual Growth Indicator

The table below highlights the annual growth indicator of the postal sector in comparison to 2015.

Services	Indicator	Traffic	2015	2016	Percentage Ratio (%)
Traditional Mail Service	Registered Mail	Local	84,815	93,795	10.59%
		Intl' Incoming	306,345	464,073	51.49%
		Intl' Outgoing	69,003	68,358	(0.93)%
	Parcel	Local	1,938	2,560	32.09%
		Intl' Incoming	15,385	17,014	10.59%
		Intl' Outgoing	13,114	12,618	-3.78%
TMS Total			490,600	658,418	34.21%
Express Mail Service	Local		177,593	237,880	33.95%
	International Incoming		533,102	510,283	-4.28%
	Ecommerce (incoming)		51,785	102,559	25.40%
	International Outgoing		313,331	303,815	-3.04%
EMS Total			1,105,811	1,154,537	4.41%
Grand Total			1,596,411	1,812,955	13.56%





## DOMAIN NAME PERFORMANCE

### IDN and the Registry

As per the Telecom ACT, it is part of the TRA mandate to manage and administer the registry of (.om), the ccTLD (country-code Top Level Domain) of the Sultanate of Oman, and (عمان.), the IDN (Internationalized Domain Name) of the Sultanate of Oman. The main activities are to operate and manage the registry and domain name systems of (.om) and (عمان.), set rules, instructions and guidelines for the domain names registration, accredit registrars and publish a list of their names, monitor the accredited registrars and registrants to check their compliance with the rules, instructions and guidance related to the registration of domain names, and promote the registration and use of (.om) and (عمان.) domain names.

There are several advantages obtainable when registering a domain name under .om such as the indication to the link in Oman, the availability of short and distinguished domain name, it offers distinguished Omani presence and affiliation, and domain owners are protected under the Omani law. In addition to that, there are several advantages obtainable when registering a domain name under (عمان.) such as speaking to Omanis in Arabic, their mother tongue, protecting and promoting Arabic brands online, and the availability of Arabic distinguished domain name.

TRA has been able to maintain and keep the registry and domain name systems available, up and running 24/7. This is critical as reaching any website, email, or web service under .om requires the availability of the domain name system. Also, the availability of the registry system is very crucial for the update and renewal of domain names.

TRA has been promoting the use of (.om) and (عمان.) in every way possible including holding workshops, participating at conferences and exhibitions.

There are currently  
5 accredited registrars.

The registrars are:



Oman  
Telecommunications  
Company  
Omantel

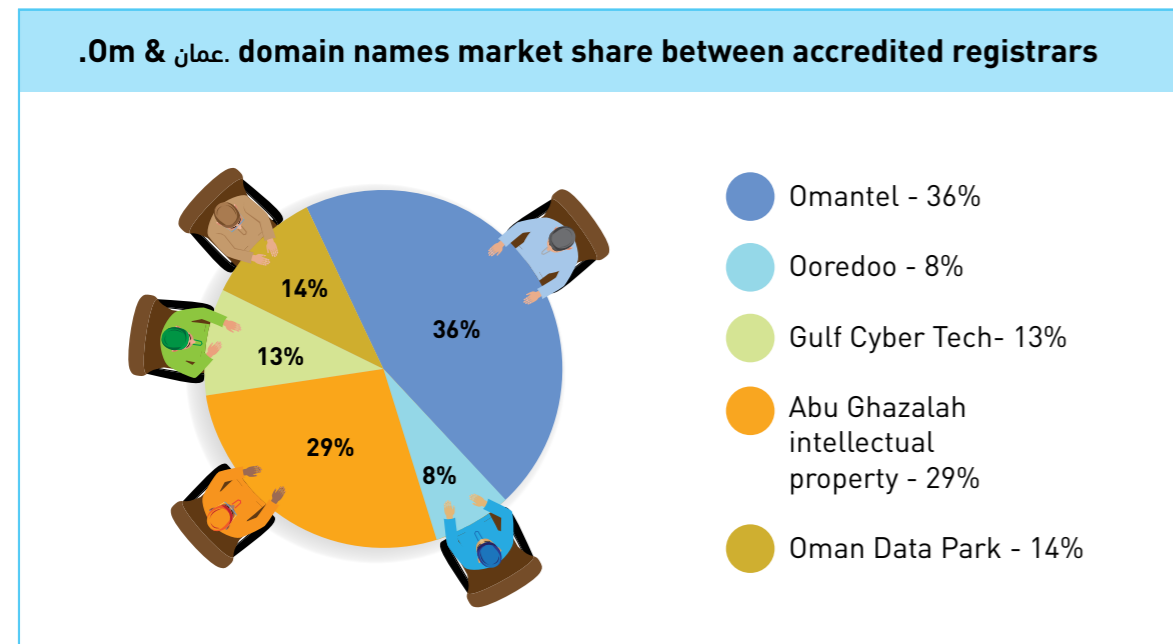
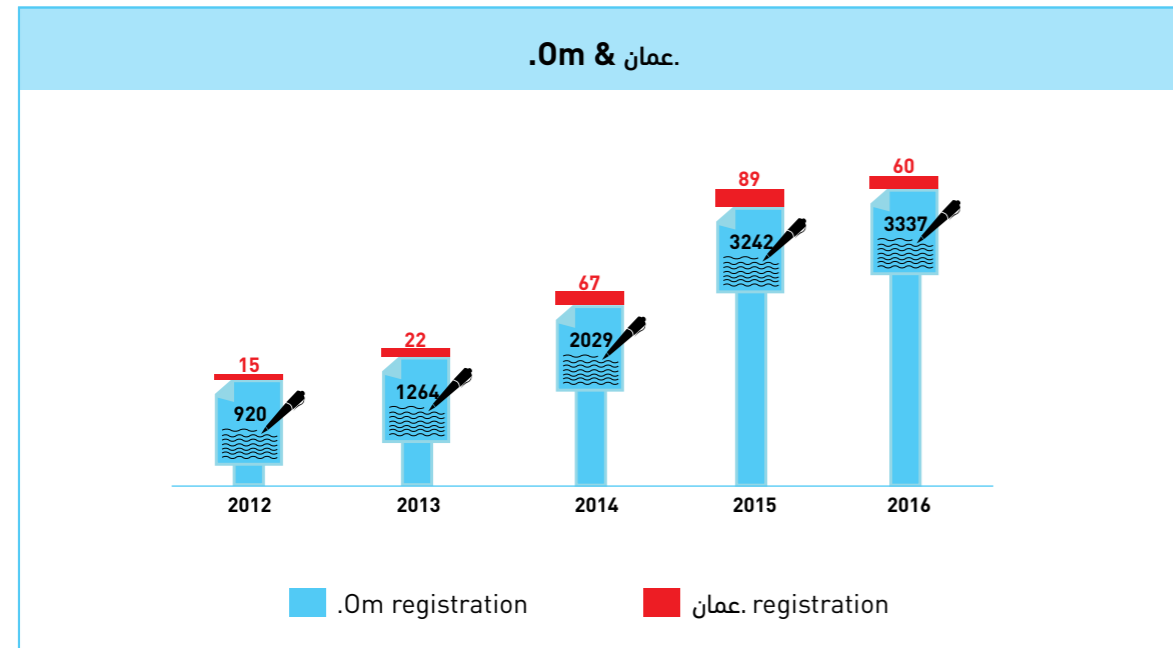


Omani Qatari  
Telecommunications  
company  
Ooredoo

## Domain Name Statistics

The following figures display the statistics of the sector in 2016. It has been noticed that the has dropped.

### .Om & عمان. Registrations



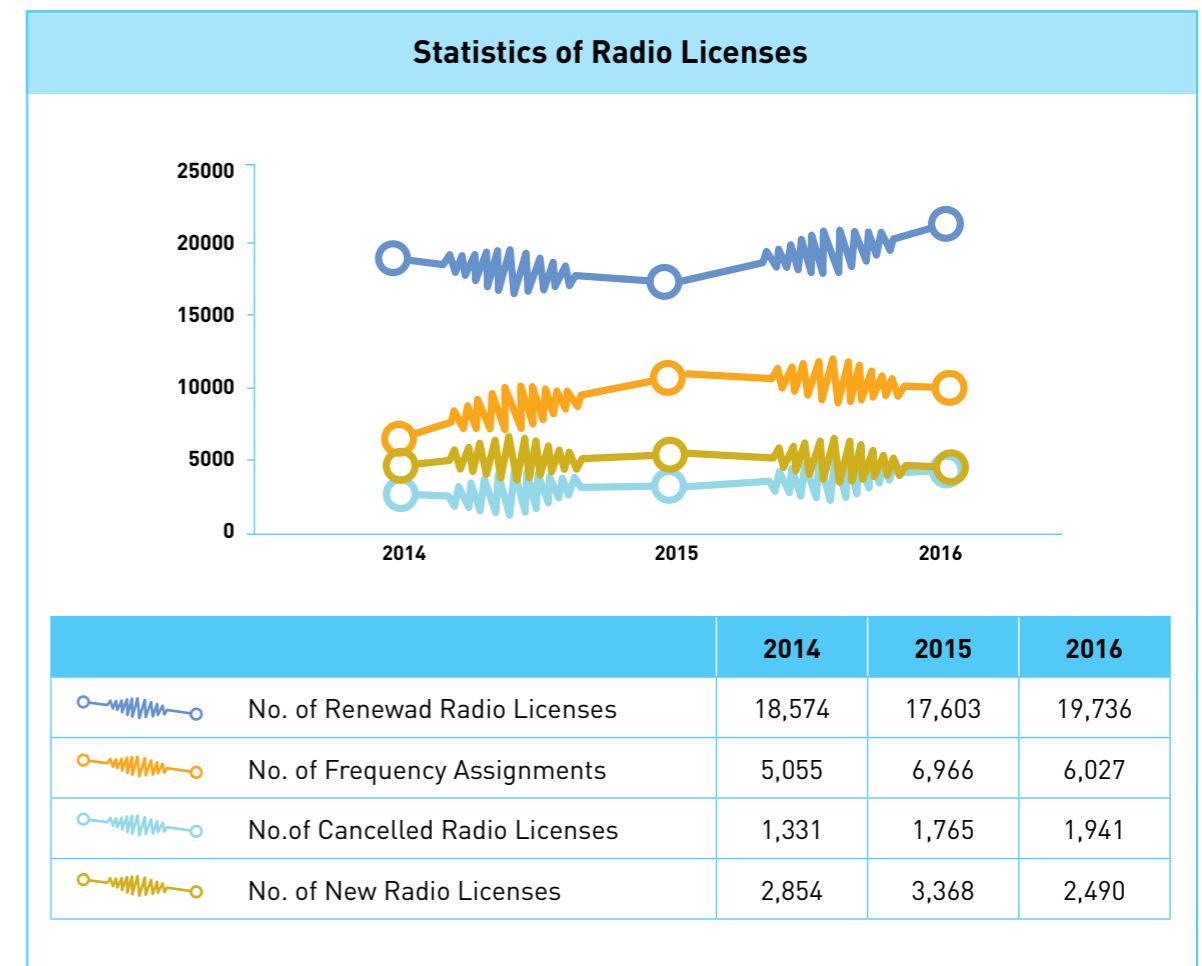
## RADIO LICENSE PERFORMANCE

Spectrum is a natural scarce resource that TRA manages and allocates to facilitate the development and use of world-class telecommunications infrastructure in Oman.

The following figures display the statistics of radio licenses and our monitoring of spectrum users during 2016.

### Statistics of Radio Licenses

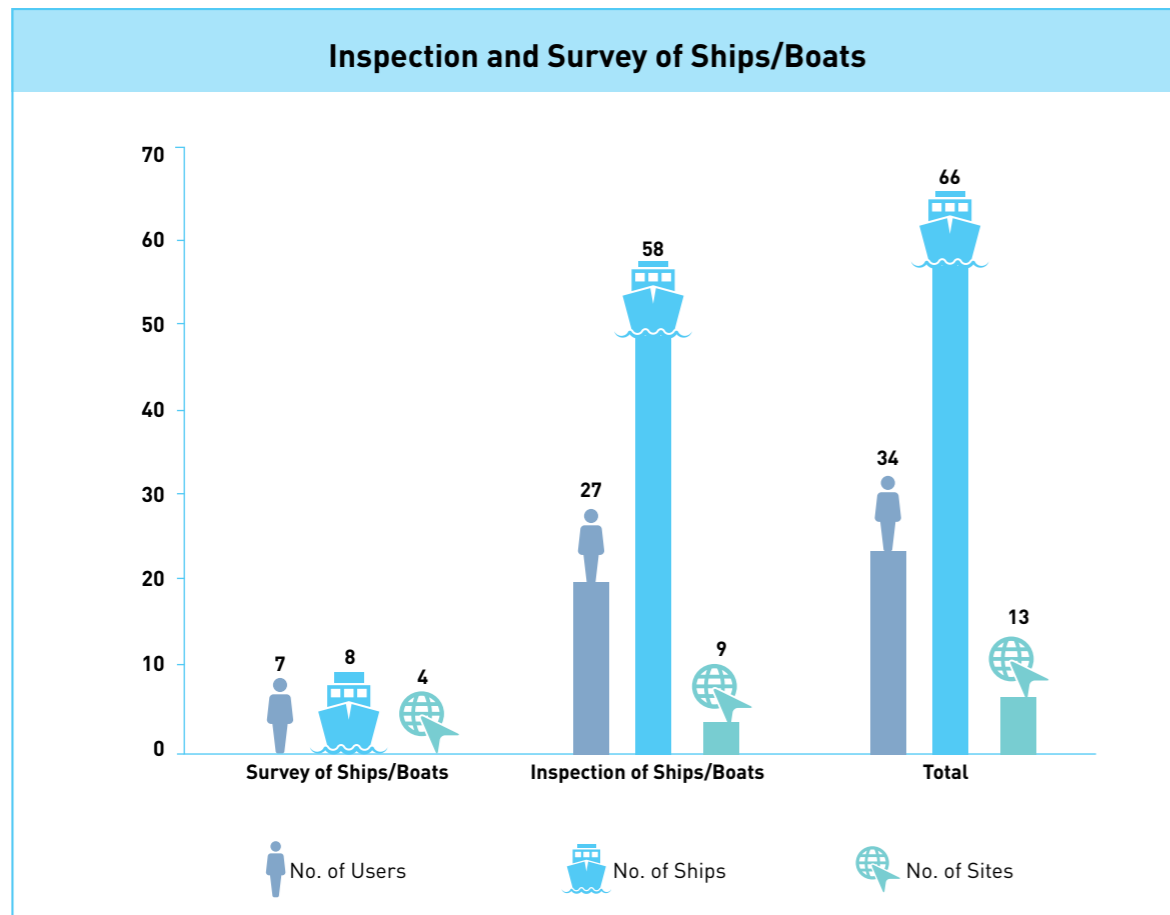
In 2016, the total number of radio licenses, compared to the last two years, has increased to 22,226. The new radio licenses issued were 2,490 while the number of those renewed was 19,736. However, the total number of licenses cancelled during 2016 were 1,941 excluding temporary licenses. The number of new frequency assignments made during 2016 was 6,027, as shown in the following graph.



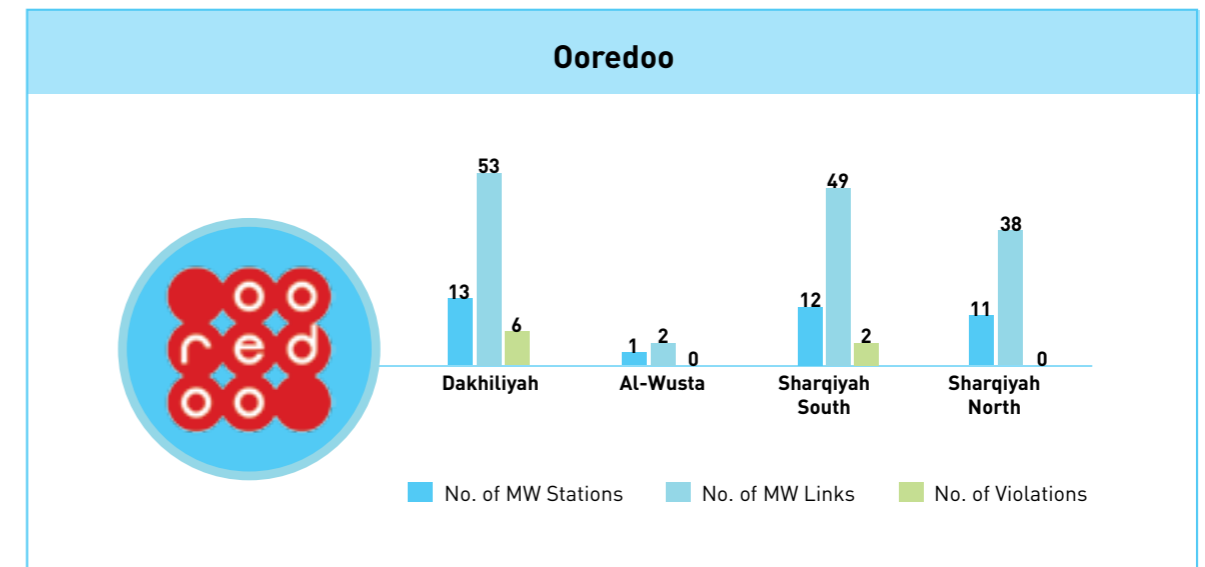
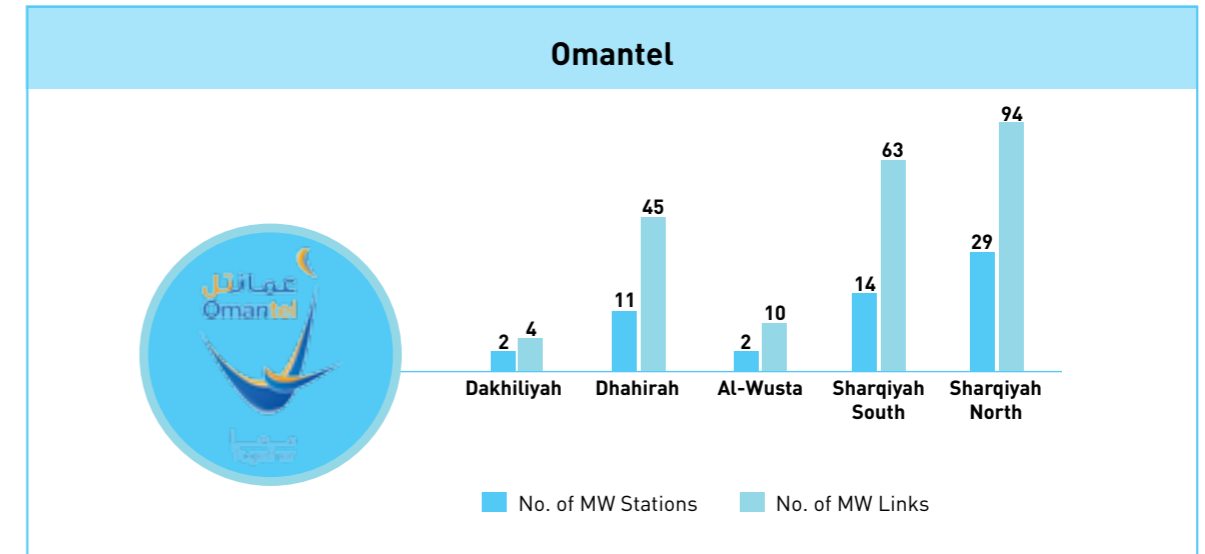
## Frequency Monitoring & Inspection

### Inspection

TRA conducted inspection visits for spectrum users in different areas of the Sultanate in order to check the compliance of technical specifications of the radio equipment in operation with the issued radio licenses. This includes the inspection of spectrum users in terrestrial services as well as inspection of ships/boats. As part of the process of issuing new radio licenses, surveys were carried out as well. The following graphs present the statistics findings:

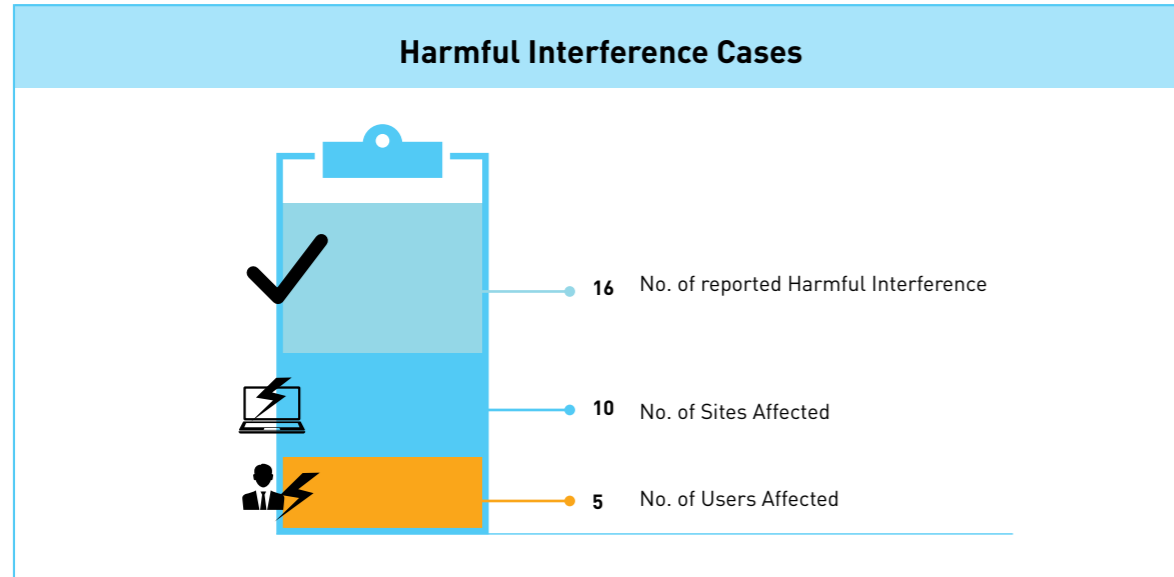


### Inspection of Operators Microwaves (MW) Links



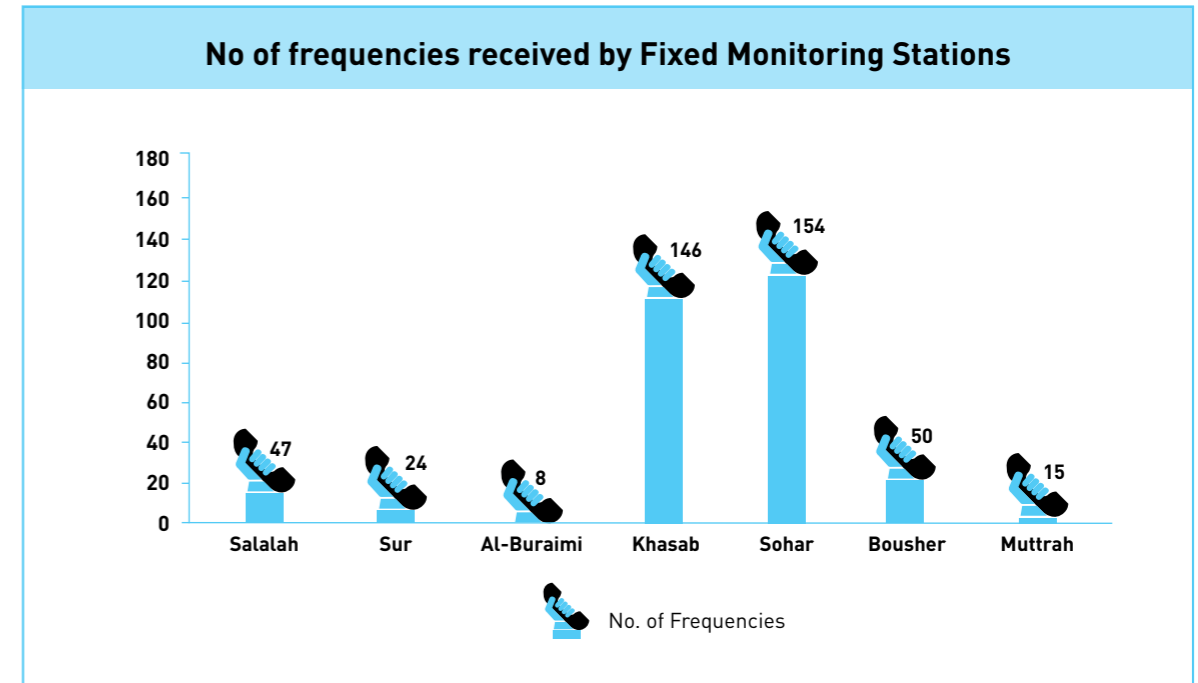
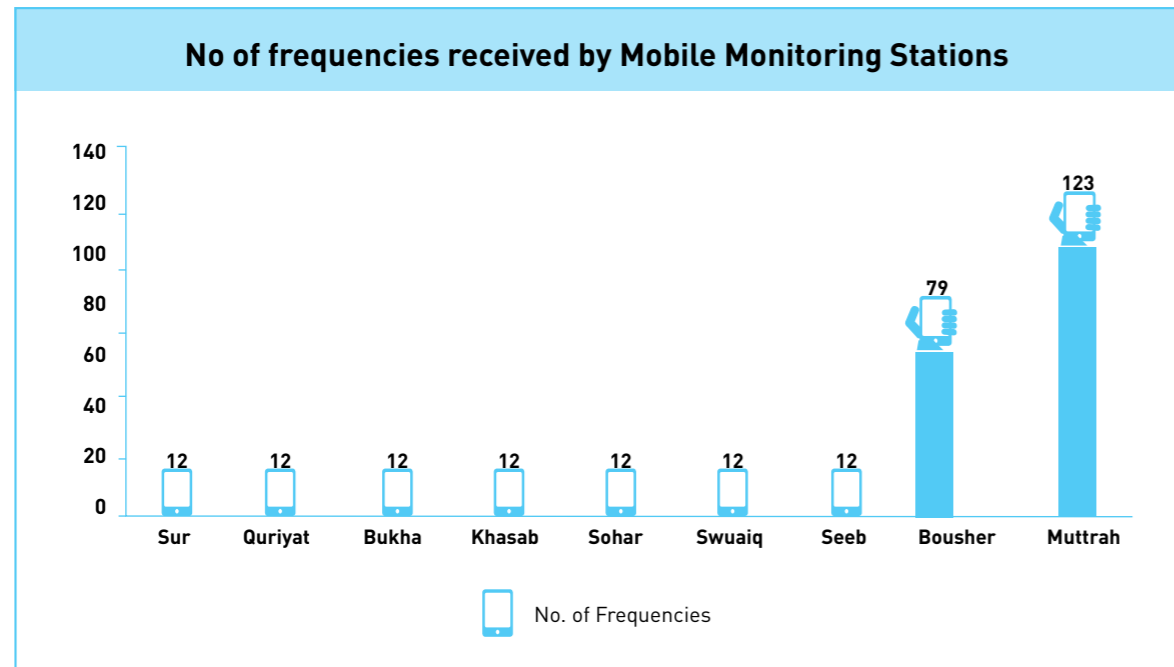
### Interference Complaints

In order to keep the spectrum free of any interference, TRA takes immediate action to eliminate any type of interference. The graph below presents statistics on the resolved Interference Complaints for 2016:



### Monitoring Task

Below are the statistics of frequency monitoring tasks:



# FURTHER LIBERALIZING THE MARKET

## About this Section

This section discusses our new regulations that were issued in order to ensure competition and safeguard the interest of users in terms of quality and price.

It also highlights our main initiatives that affect the sector, such as coverage plans, authorizations and numbering.



## REGULATIONS & DECISIONS

### REGULATIONS

#### Access and Interconnection Regulation

In April 2016, TRA issued the Access and Interconnection Regulation after extensive consultation with the industry. Following issuance, the TRA embarked on the process of implementing the regulation, whereby draft reference access and interconnection offers were submitted by the Dominant players for review and approval of TRA as per the process stipulated in the regulation. It is noteworthy, that establishing a well-functioning access and interconnection legal framework is the cornerstone in facilitating sustainable competition.

#### Retail Tariff Regulation

TRA issued the Retail Tariff Regulation in April 2016. The Regulation is aimed to be a single reference document for the regulatory framework governing the approval and filing of retail tariffs. While a light-handed approach is applied on non-dominant players, dominant players are required to seek approvals of their retail prices, should it be a new plan, amendment or withdrawal of a tariff plan. On the other hand, the non-dominant players need to only notify their new retail prices to TRA before launching them in the market.

One of the focus areas of the regulation is to ensure transparent offering of tariff packages from all licensees to consumers. It requires clear publication of tariffs to enable consumers to understand available tariff offers and easily compare between them to select offers that suit their needs and usage levels best.

#### Amendment of Account Separation Regulation & Issuing Guidelines

Based on their dominance designation, certain ex-ante regulatory interventions are placed on dominant players in order to guard the market against possible anti-competitive behavior. Accounting Separation obligation is one of such remedies, which help the Regulator in assessing anti-competitive practices such as predatory pricing and anti-competitive cross subsidies.

In April 2016, TRA issued the revised Accounting Separation Regulation and Guidelines, in which the scope of accounting separation obligation has been extended to all dominant licensees for all relevant markets because the earlier Regulation was applicable to fixed-line players. Further improvements have also been introduced in the procedures for getting more transparent reporting of separated accounts.

## International Mobile Roaming

To support social ties and economic integration between the GCC countries, the GCC regulators took an initiative to regulate the prices of roaming services within the GCC countries. The second phase of the GCC roaming was implemented in 2016, whereby the wholesale and retail price caps were implemented to ensure the availability of roaming services for GCC nationals and residents within reasonable price levels.

The new regulation includes a number of new roaming services, which are regulated for the first time, namely, mobile data, received calls, SMS and MMS. For Omani subscribers the new price caps brought significant reductions from prices that were prevailing before the regulations. For example, the reduction in mobile roaming charges while roaming in Kuwait is of the order of 93% for mobile data usage, 87% for SMS charge and 76% for received voice calls. In addition, new caps were also implemented for outgoing calls which was already regulated since the previous GCC regulation of 2010.

The implementation of price caps has been designed as a glide path over a period of three years for voice calls and SMS services, and over a five-year period for the mobile data service.

## Amendment of Decision No. 59/2016

In 2015, TRA issued the Decision No 59/2015 on the provisions of Telecommunication Services. Furthermore, in 2016, amendments to the decision were made to improve the procedures of issuing a violation.

Article (10) of this Decision states additional legal procedures which entitles the Authority to take the proper legal procedure equal to the breach when this breach is validated. Among these steps is the violator is going to receive a notification and warning. In this notice, the violator is informed of the nature of the violation the company committed and is directed to comply with the TRA decision and to not repeat the violation. In the old decisions, the penalty is immediately imposed; there was no way to avoid penalty or even cancel it.

Since the amendment, there has been a significant impact on violators who immediately comply with the guidelines by paying their fines and taking corrective actions. As a result, the type approval breaches reduced from 76 violations in 2015, to 13 violations in 2016.



## Amendments to the TRA Decision No. 133/2008

Decision No. 62/2016 was issued amending some provisions of the regulation organizing the registration and utilization of frequencies and radio equipment and their pricing issued by Decision No. 133/2008. This is as part of a periodic review of the provisions of Decision 133/2008 as well as a review of the spectrum pricing to stand for the real price of frequency spectrum. Amendments of the fees (which is increased by around 34% compared to the previous fees), of the Public Mobile Services were made, and other services were added such as Private Mobile Radio (PMR) Service Provider. Decision No. 62/2016 has also amended some of the Annexes of the aforementioned Regulation to comply with the ITU Radio Regulations and to conform with the world telecom market trends.

## Amendment of Decision regarding Call Centers

The regulation related to call centers (Decision 17/2015) was amended by Decision 47/2016 issued on 12th June 2016, which removed the procedures part to obtain authorization. Those who are interested to open a Call Center activity can directly apply to the Ministry of Commerce and Industry (MoCI) without a need to obtain an authorization from the TRA, but have to comply with the conditions of the Decision 47/2016. Those conditions are presented by the Invest Easy to those who apply for the Call Center activity. This was achieved in accordance with the initiative to ease the investment headed by MoCI.

## Amendment of Decision Regarding Internet Cafes and Re-provision of Internet Access Services in Public Places

The regulation related to internet cafés (Decisions 11/2011 and 118/2011) was amended by Decision 48/2016 issued in 12th June 2016, which removed the procedural part to obtain authorization. Those who are interested to open an Internet Café activity can directly apply to the Ministry of Commerce and Industry (MoCI) without a need to obtain an authorization from the TRA, but have to comply with the conditions of the Decision 48/2016. Those conditions are presented by the Invest Easy to those who apply for internet café activity. This was achieved in accordance with the initiative to ease the investment headed by MoCI. The Decision 48/2016 also includes a condition for those who are interested to re-provide internet access services in public places like Coffee Shops, Hotel lobbies and Airport halls.

## Consultation for the Frequency Band 3.5 GHz

In a world powered by demand for information, access to the internet has become increasingly important. There is a fast increasing demand for broadband services, making the utilization of frequency bands, to support this demand, very important for the national economy. C-Band spectrum could be used to provide additional capacity. Therefore, TRA looked for the opinions of concerned parties on all aspects of the use and allocation of frequencies in the frequency band 3.5 GHz by launching a consultation. TRA was seeking views on a number of issues such as frequency arrangement, number of blocks, technical condition and timing. The stakeholders' responses showed the following:

- 1) All the responses indicate the need for this band with dissimilarity in the time of use.
- 2) Support using the band for LTE-TDD.
- 3) Support allocating (20) MHz Bandwidth as minimum block at 3.5 GHz.

*The details of the responses are published on the TRA website.*

## VIOLATIONS

### Violations

As a regulator, it is in our duty to ensure enforcement of the regulatory frameworks by supervising, monitoring and inspecting the telecom and postal sectors. When non-compliance cases are identified, corrective actions are taken to address these violations.

Below is a representation of the types of violations during in 2016:

Type of Violation	No. of Violations
Type Approval	13
Number Portability	3
Consumer Affairs	8
Spectrum	19
Postal	3
<b>Total</b>	<b>46</b>

## ROYALTIES

### Collected Royalties

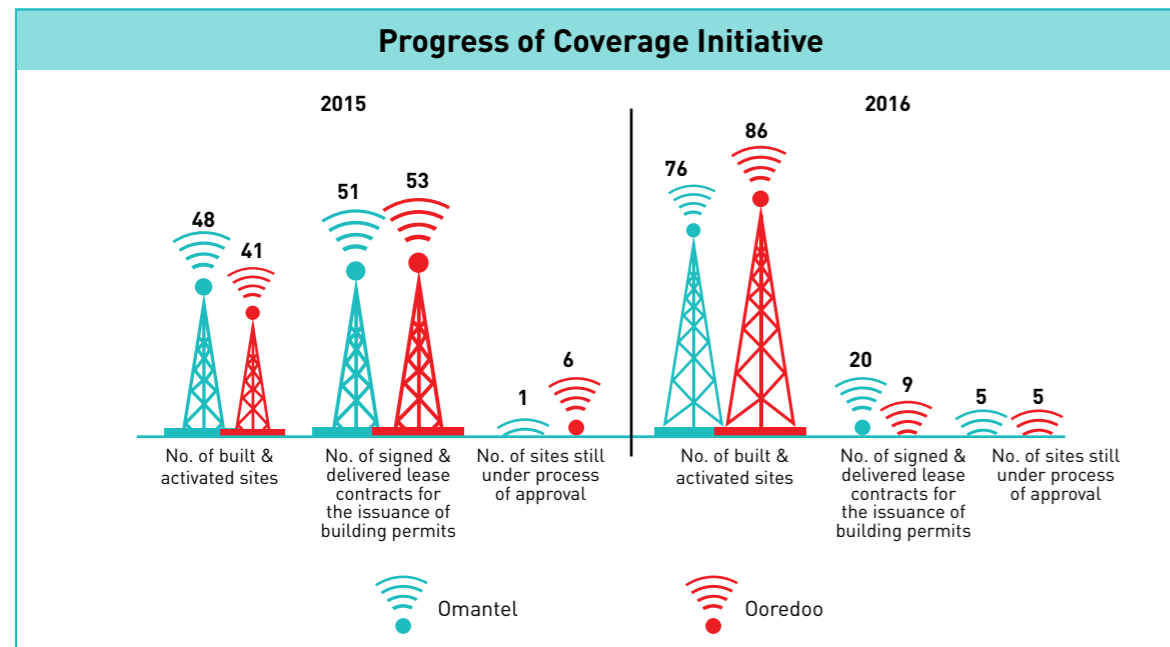
The total royalty collected from active licensees for the year 2016 is: RO 52,180,731.441. The table below displays the details with comparison to the years 2014 and 2015:

		2014	2015	2016
Class I	<b>Omantel</b>	12,395,779	13,096,549	14,756,798
	<b>Oman Mobile</b>	18,105,245	18,448,331	18,856,700
	<b>Ooredoo</b>	13,852,084	15,681,564	17,448,781
	<b>TeO</b>	10,192	176,272	246,057
Class II	<b>TeO</b>	461	29	0
	<b>Majan (Renna)</b>	67,795	176,813	339,296
	<b>FriendiMobile</b>	406,997	445,015	429,159
Class III	<b>Rignet</b>	49,504	66,347	80,679
	<b>AzyanTelecom</b>	12,653	15,712	23,261
	<b>Total</b>	<b>44,900,710</b>	<b>48,106,632</b>	<b>52,180,731</b>

## COVERAGE

### Coverage of Remote Villages

The main initiative undertaken by TRA during 2015 was the installation of 200 Mobile stations to cover 250 remote villages by the Licensed operators. The details and progress of this initiative is shown below:



### Designing & implementing fiber-optic network in the Willayat of Madha

Following our strategic objective of improving customer experience through enhancing telecom services, TRA floated a tender on designing and installing fiber optic network in Willayat of Madha in Musandam Governorate; where the assets of this network will be a property of Oman Broadband Company.

This project included designing, supplying and implementing fiber optic network for residential, commercial and governmental buildings in Willayat of Madha in accordance with the global standards, and in consistency with the service providers' basic service network.

As a result of this project, beneficiaries/consumers have the opportunity to use multiple services at the same time and at high speeds such as the Internet and telephone in their homes. The project was successfully completed and delivered to Oman Broadband Company on 9th October 2016.

## NUMBERING

### Numbering statistics

As part of TRA's responsibilities, TRA manages the public numbering scheme and the National Numbering Plan. In addition, TRA is responsible for developing the overall national numbering strategy in the national interest of the Sultanate.

TRA ensures that the number allocation process is fair and transparent in order to provide a level playing field regarding the availability of numbers for all operators.

The table below shows the numbering resources allocated to the operators in 2016 compared to 2014 and 2015. There was a decrease in demand for toll free numbers, fixed numbers and mobile numbers, in 2016 as compared with 2015. On the other hand, there was an increase in demand for National signaling and SMS codes.

Type of Numbering resource	2014 Allocation	2015 Allocation	2016 Allocation
<b>Carrier Selection codes</b>	0	0	0
<b>International Signaling point codes</b>	0	1	0
<b>National Signaling Point Codes</b>	48	11	18
<b>Fixed Numbers</b>	44,000	105,000	99,000
<b>Mobile Numbers</b>	600,000	1,000,000	900,000
<b>Voice Short Codes</b>	2	11	1
<b>SMS Short Codes</b>	64	56	153
<b>Toll Free Numbers</b>	109	113	94

### Numbering management system

The objective of the numbering management system is to automate the operation of the numbering management which will have the benefits of reducing human errors in such transactions as well as preserving the database from any unnecessary human modification.

The new system was launched in 2016.



## Introduction of a new numbers range 'Level 7'

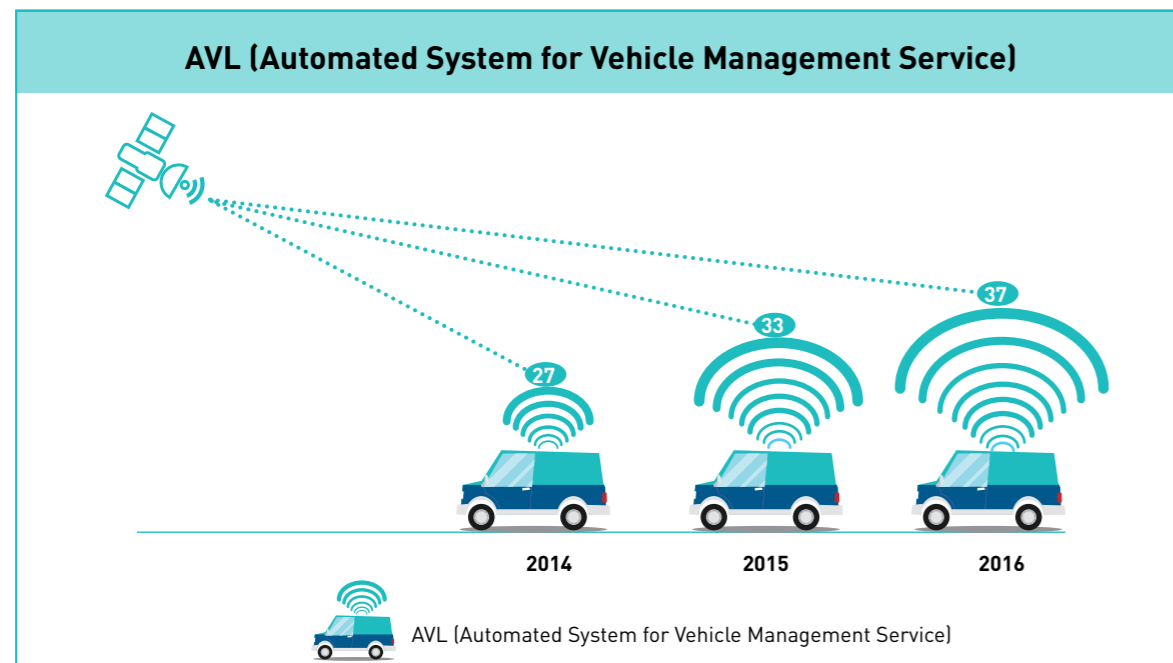
The management of the public numbering scheme, issuance of the National Numbering Plan, and development of the overall national numbering strategy of the Sultanate is one of the main tasks of TRA. TRA always ensures that sufficient numbers are made available and allocated to service providers who demand them. In keeping pace with the growing demand for this vital resource, in 2016, TRA launched the new numbers range 'Level 7' for mobile services.

Apart from demand from individual and business consumers, there is a perceptible growth in demand for 'numbers' for machine to machine application services. The new 'level 7' numbers range has been allocated in line with international trends in ICT sector and due to exhaustion of 'level 9' numbers range.

## REGISTRATIONS, LICENSES & AUTHORIZATIONS

### Automated System for Vehicle Management Service

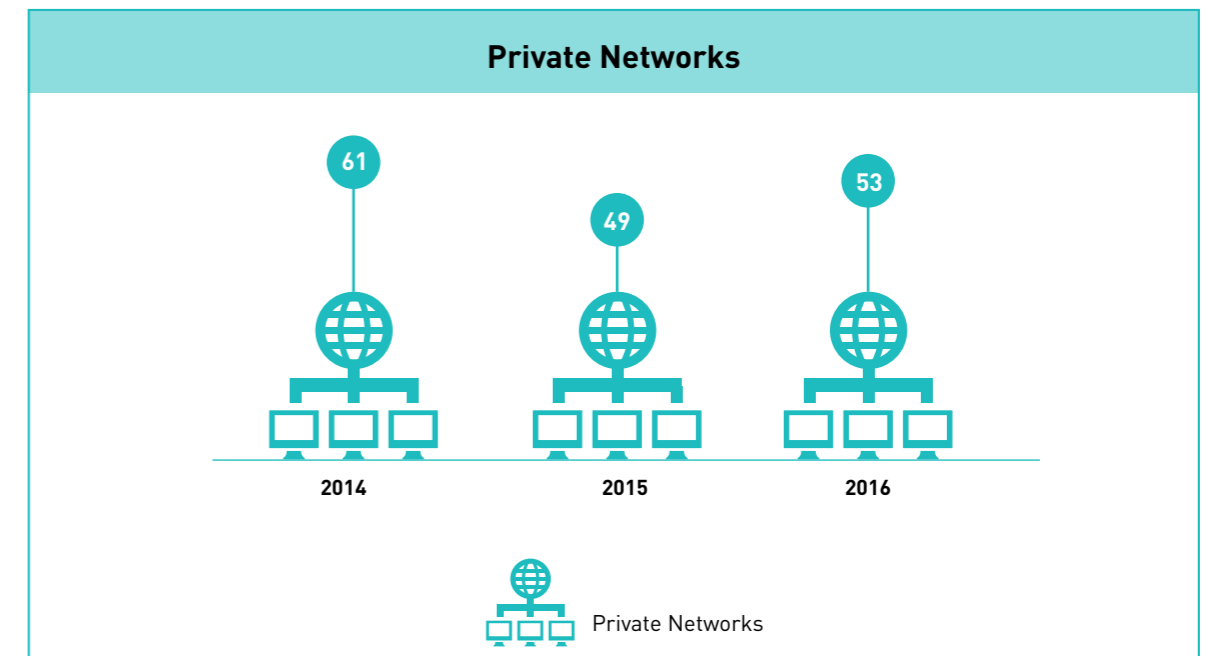
The TRA has issued four new authorizations for Automated System for Vehicle Management service, where the total number of authorizations reached 37 by end of 2016. Authorized entities provide iVMS (AVL) services in the Sultanate, which is requested by many corporates interested to monitor, track and manage their vehicles or any other mobile objects. The service is provided using the existing services of the licensed mobile networks. The chart below shows the total authorization per year for the last three years.



## Private Networks for Personal Use

Private networks for personal usage are owned and operated by authorized entities and are used for private usage such as establishing physical links to transmit data between two branches and are not connected to the public network.

The private network can be established by wireless links such as license-free frequency band systems or licensed microwave radios or free space optical communication systems. It is also possible to be wireline if the entity is by the law has the right of way. During 2016, TRA has issued four new authorizations for Private Network for personal usage that would not be connected to the Public Network. During 2016 four authorizations were renewed and the total number of Authorization is 53. The chart below shows the total authorization per year for the last three years.



### Launch of an automated tariff filing and approval system

In order to facilitate service providers to file and seek approval of their retail tariff proposals, TRA has developed and launched Tariff Filing System in 2016. The Service Providers can upload their tariff proposal efficiently through this system and interact with TRA's concerned staff if there is any issue. This system makes the process more efficient and effective for both TRA and the Industry.

# OUR CONSUMER CARE

## About this Section

Customers are the most important stakeholder in our work, hence, TRA focuses on investing and improving our relationships with customers. This section displays our main activities aiming at servicing our customers along with statistics related to the consumer complaints.

## IMPROVING CUSTOMER EXPERIENCE

### Wining Award in Telecoms Middle East Conference

Following receiving His Majesty Award for Excellence in e-Government Service for the category of Best e-Service provided to the private sector in 2014 for the e-Spectrum Services Portal powered by the world's most Advanced Automated Spectrum Management System (AASMS), TRA again won Second place in the category of "Most Innovative Use of Technology To Improve The Customer Experience" in 2016. The award was presented in the ceremony of Customer Experience Management (CEM) in Telecoms Middle East Conference which was held in Dubai in 2016.





## CUSTOMER CARE ACTIVITIES

As part of our mandate as regulators, TRA has put the improvement of customer experience as one of the pillars of its strategy.

In this regard, TRA has focused its activities in the following four areas:

Awareness, Handling Consumer Complaints, Monitoring and inspection, and the Call Centre. Below are details of each category.

### AWARENESS

#### Short awareness messages

Using the TRA's new Twitter account, TRA posts different awareness messages to educate consumers about several important issues such as international roaming, complaints' handling processes, how to protect your children online and how to avoid fraud through telecom service.

#### Comex 2016

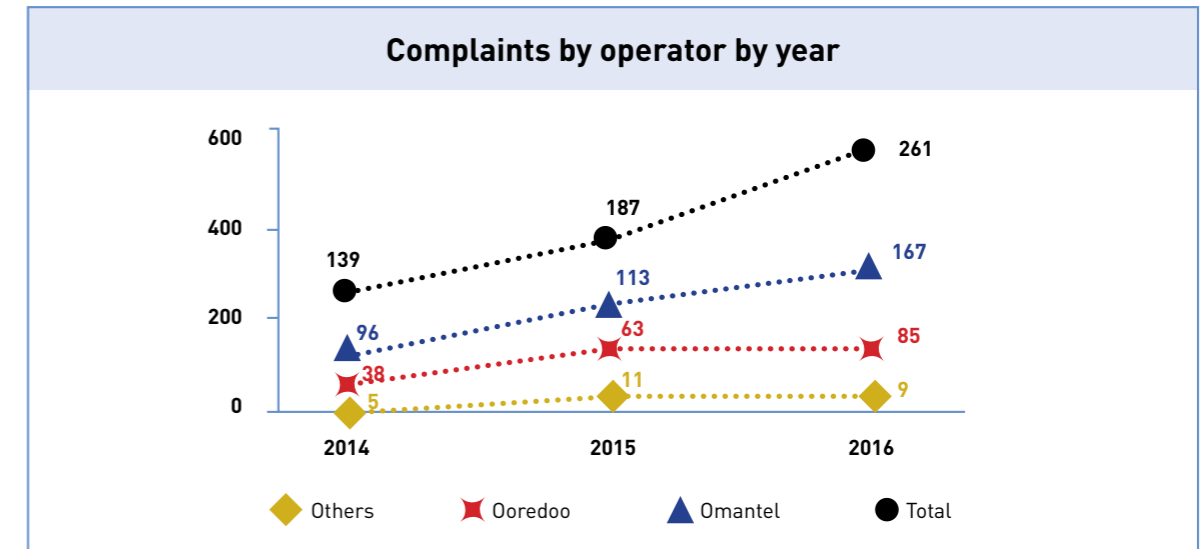
A special section was prepared during Comex 2016 on consumers' related matters where TRA mainly focused on educating the customers about their legal rights in the telecom sector. TRA also prepared a poster about customers' rights which was designed and printed and will be distributed to all operators' outlets.

#### Handling consumer complaints

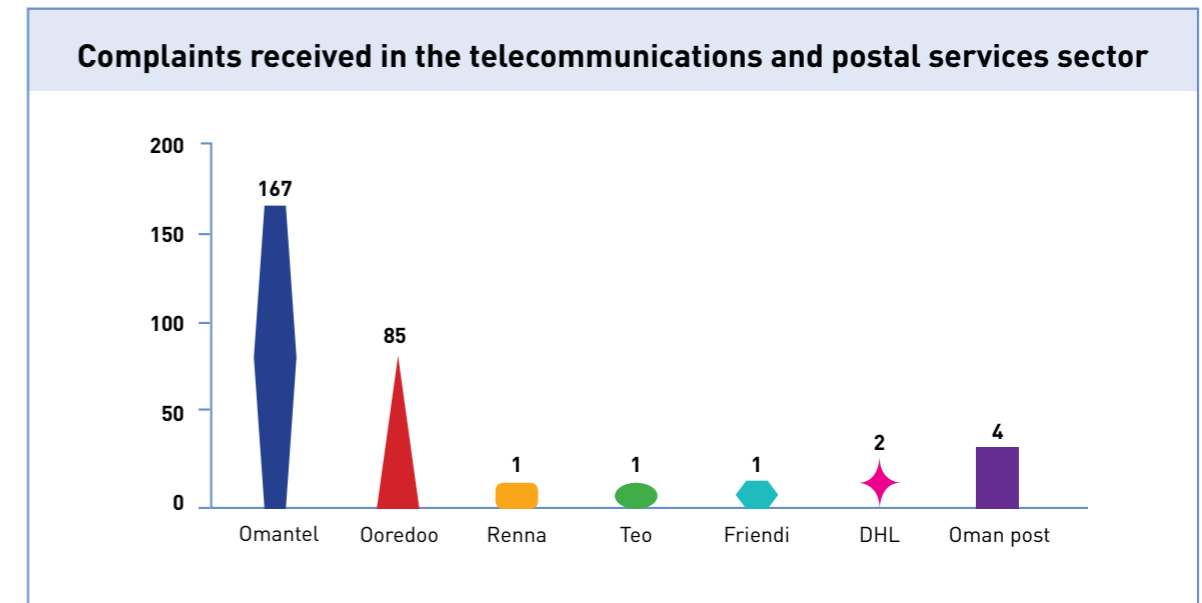
The main steps in the consumers' complaints handling process consists of: receiving the consumer complaint, and then reviewing it and investigating it along with all necessary information and documents that will support the settlement of the complaint. Finally, a decision will be issued to ensure operators' compliance.

## Statistics

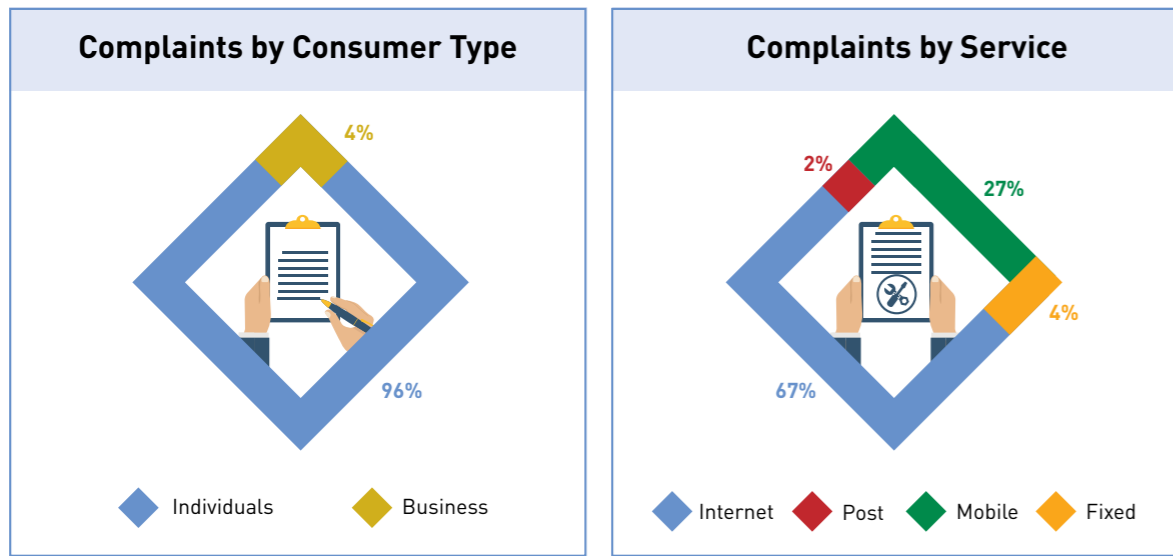
261 complaints were received during 2016. The following figures display the statistics of consumer complaints received:



Complaints Received in the Telecommunications and Postal Services Sectors



The highest number of complaints received was against Omantel, with 167 complaints, followed by Ooredoo with 85 complaints.

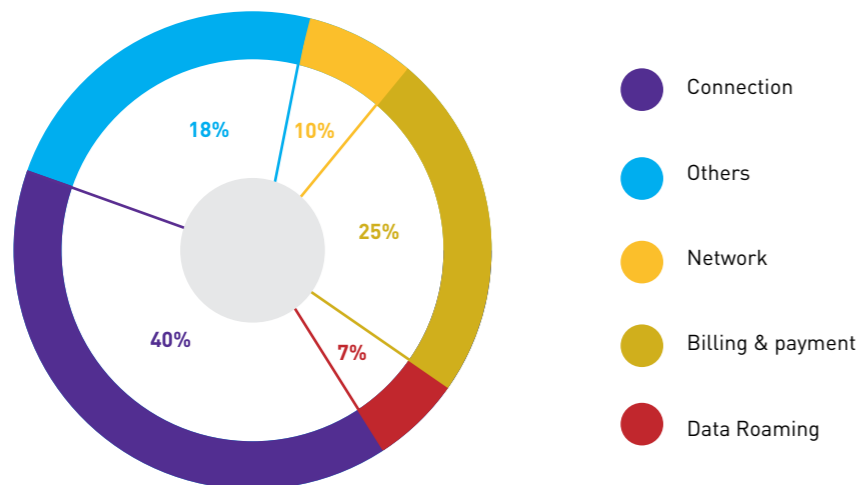


The majority of complaints were submitted by individuals.

The highest percentage of complaints by type of service was on Internet services, followed by mobile services, with 67% and 27% respectively.

### Complaints by category

The complaints that TRA received are segregated into different categories according to the nature of the complaint. In 2016, the highest percentage of complaints was on Network Connection, followed by Billing and Payment.



### Complaints received by Governorates

Out of the 261 complaints received, one complaint was from outside the Sultanate, while the remaining were from different parts of the Sultanate, as shown below. The highest number of complaints was received from Muscat, followed by Ad Dakhiliya region.



## TRA action on complaints

Based on the nature of the complaint and the analysis taken, different types of decisions were taken.

The figure displays the statistics of the decisions taken on the complaints that were closed in 2016.

For each complaint, TRA took one of the following decisions:

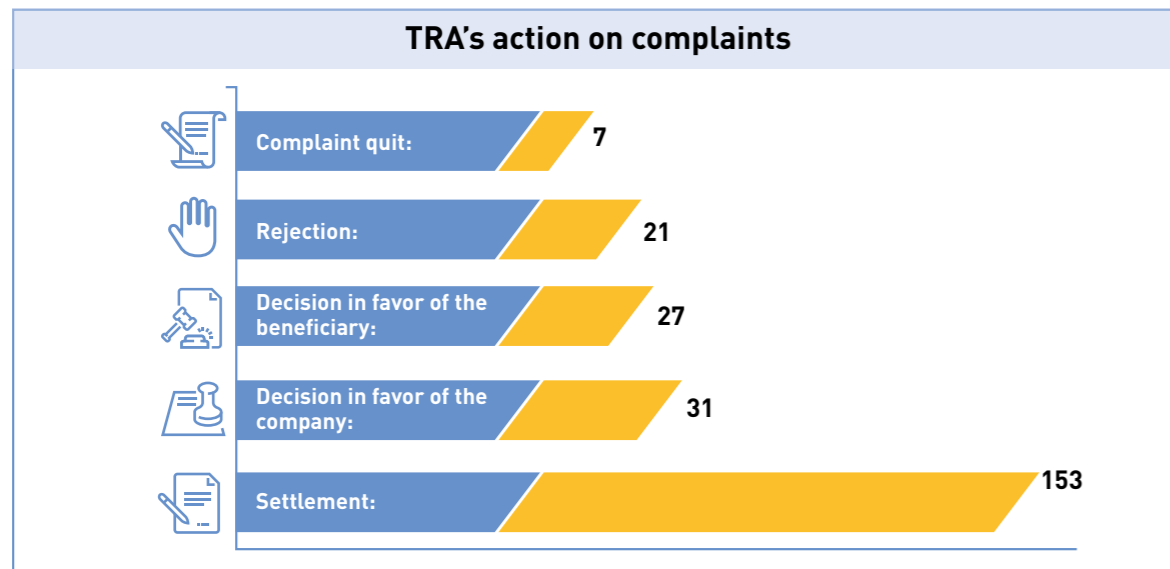
**Complaint quit:** The complaint has been cancelled either because the consumer withdrew his complaint or TRA has not been able to reach them to complete the complaints process.

**Rejection:** Complaint was not accepted either because the consumer did not complete the full process of issuing a complaint or the complaint subject was not under TRA's functions.

**Decision in favor of the beneficiary:** TRA investigated and concluded that the consumer had the right to complain and the operator must compensate.

**Decision in favor of the company:** TRA investigated and concluded that the consumer did not have the right to complain and the operator doesn't have to compensate.

**Settlement:** The complaint is not in favor of the operator or beneficiary, but the complaint was closed by both parties agreeing on certain terms that they see are satisfactory.



## Monitoring and inspection

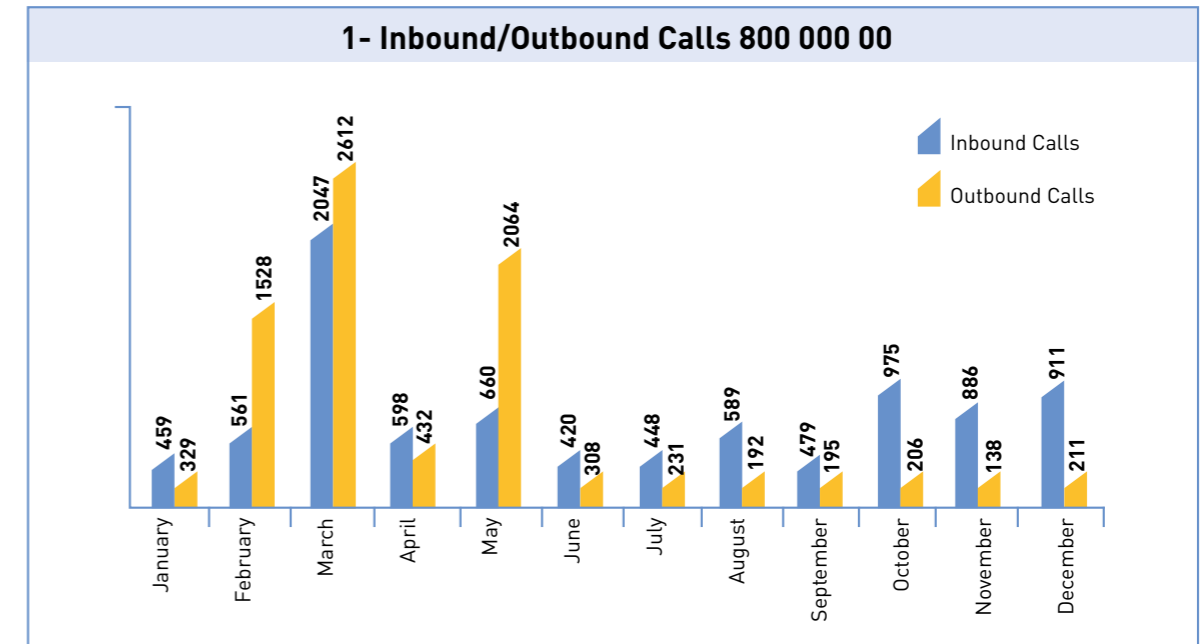
The ongoing TRA monitoring and inspection activities are conducted to monitor the adherence to the legislative environment to ensure an effective compliance to safeguard the interests of consumer and their rights, as well as to investigate breaches of consumer rights or consumer protection policies. Moreover, our objectives also include collecting, collating and disseminating information on matters affecting the interests of consumers and to enforce decisions regarding consumer complaints.

## Call center

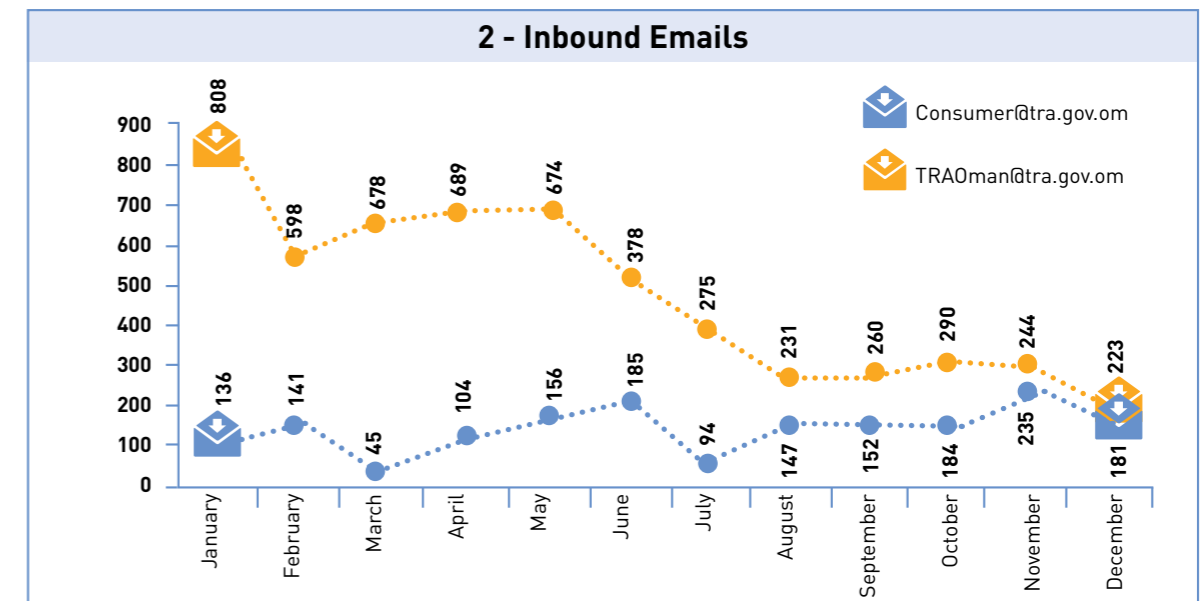
The main task of the TRA call centre is to ensure customers' questions are answered and their complaints are addressed correctly and in a timely manner.

Below are the main statistics of the call centre in 2016.

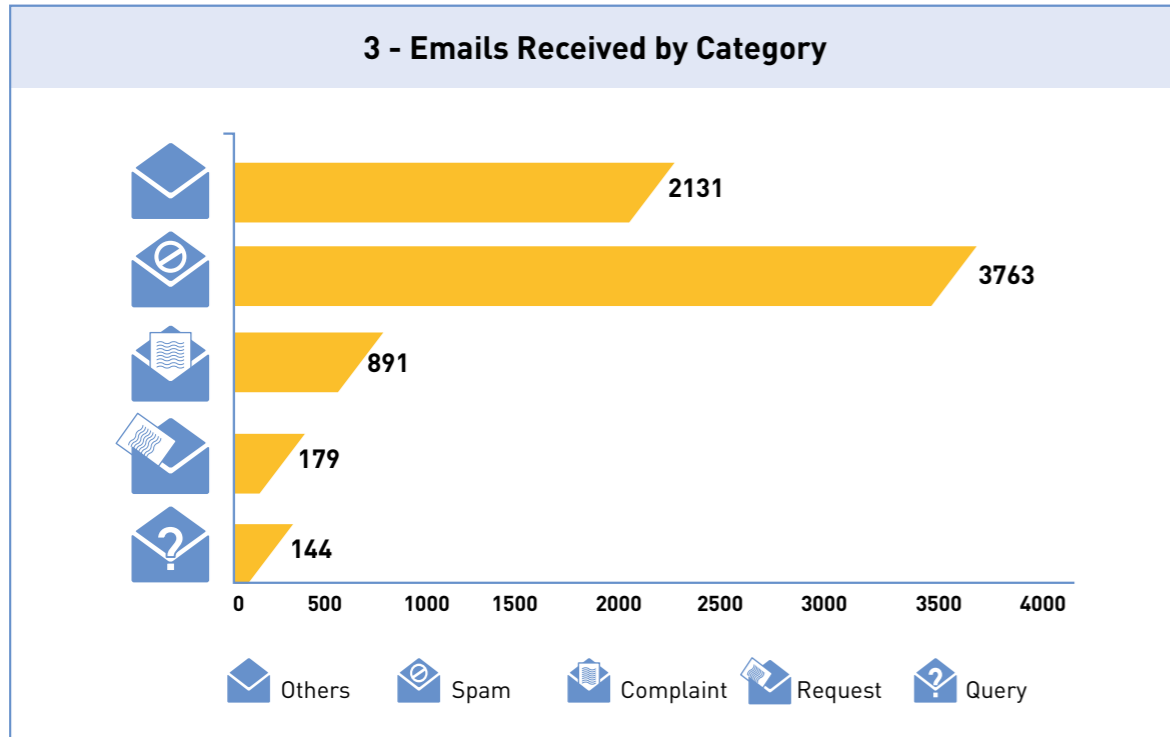
The graph below displays the inbound and outbound calls that took place in 2016.



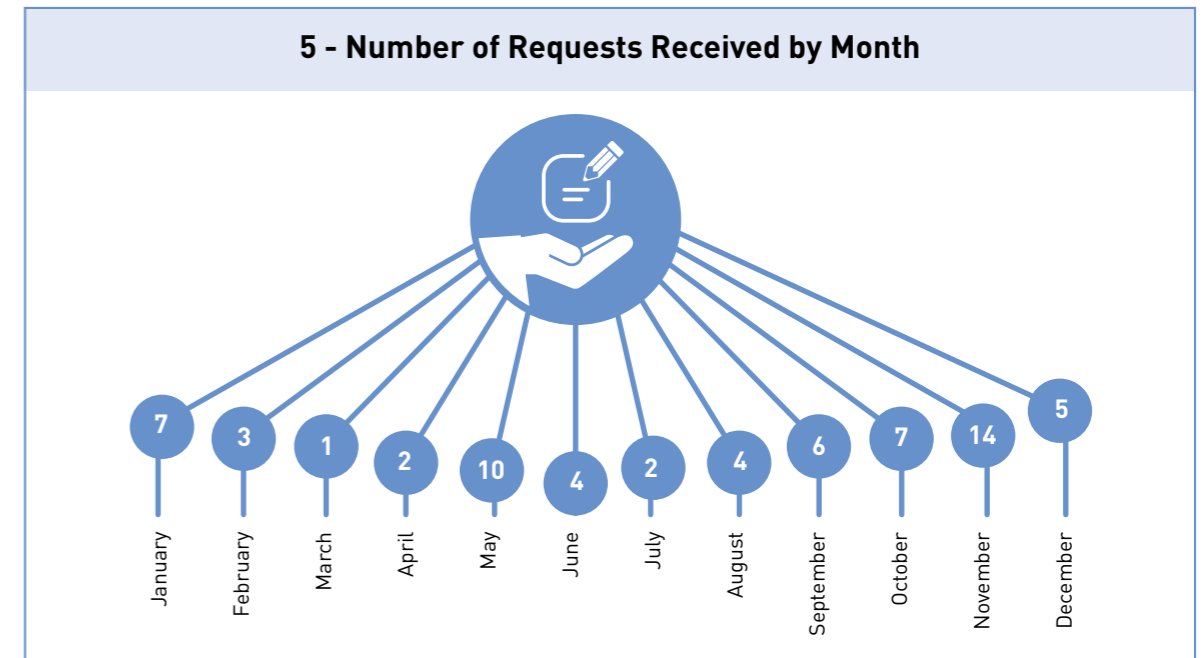
The graph below displays the number of emails received each month in 2016 from the two email addresses that are related to consumer affairs.



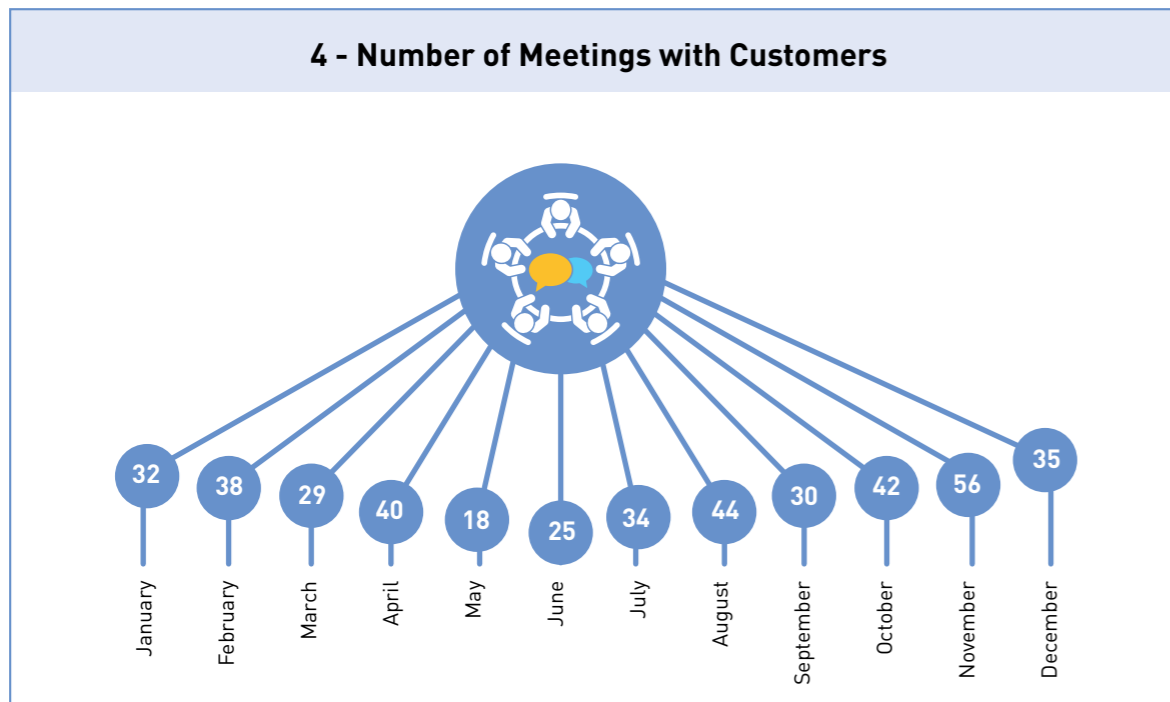
The graph below segregates the subject type of each email that was received in the call centre.



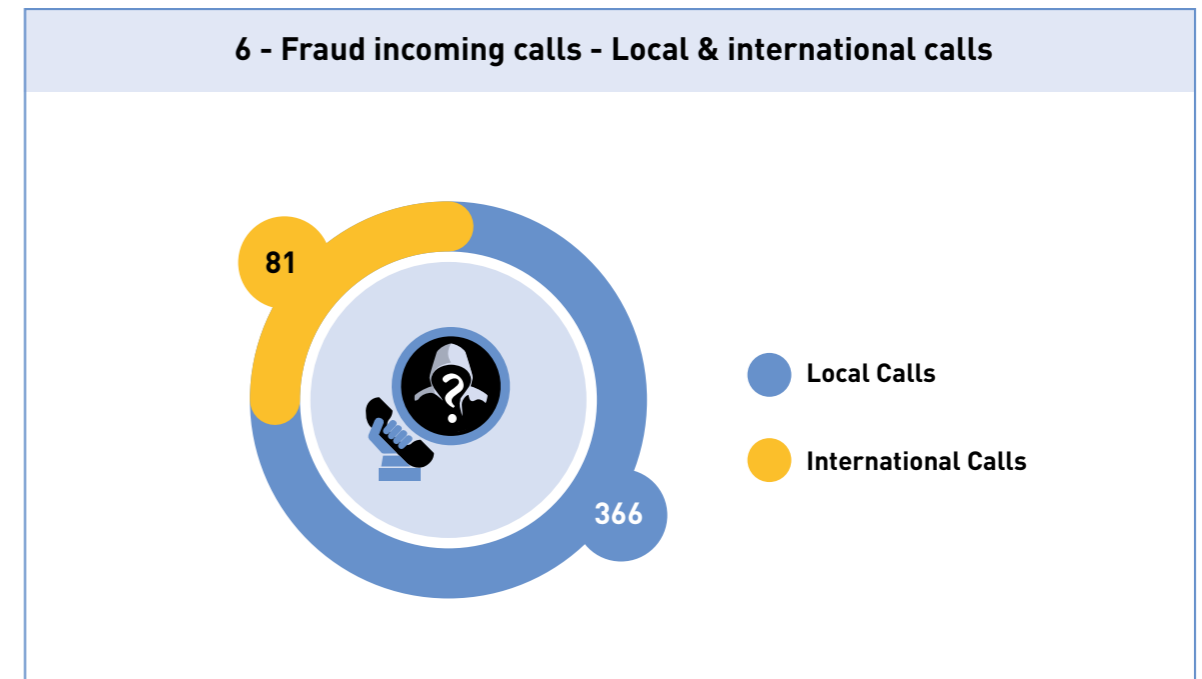
The graph below shows the number of requests received from customers each month.



The graph below shows the number of meetings with customers that took place each month in the TRA building.



The graph below shows the number of spam calls received internationally and locally.



# FINANCIAL STATEMENTS

## Telecommunications Regulatory Authority

Financial Statements  
31 December 2016



**Registered office**

P O Box 579  
Postal Code 112, Ruwi  
Sultanate of Oman

**Principal place of business**

P O Box 3555,  
Postal Code 111, Seeb  
Sultanate of Oman

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### INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF TELECOMMUNICATIONS REGULATORY AUTHORITY

#### Opinion

We have audited the accompanying financial statements of Telecommunications Regulatory Authority (the "Authority"), set out on pages 3 to 21, which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 December 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), together with the ethical requirements that are relevant to our audit of the Authority's financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Authority's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## MOORE STEPHENS

### INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF TELECOMMUNICATION REGULATORY AUTHORITY (Continued)

#### Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

19 March 2017



*Moore Stephens*



**Telecommunications Regulatory Authority**  
Financial statements for the year ended 31 December 2016

**Statement of financial position**

	Note	2016 RO	2015 RO
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	12,140,698	12,569,944
<b>Current assets</b>			
Telecom frequency fees receivable	6	122,752	136,853
Advances and other receivables	7	899,900	749,735
Short term deposits	8	22,000,000	23,000,000
Bank balances and cash	9	8,929,625	7,306,400
<b>Total current assets</b>		<b>31,952,277</b>	<b>31,192,988</b>
<b>Total assets</b>		<b>44,092,975</b>	<b>43,762,932</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Accumulated surplus		15,753,124	12,472,155
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred government contributions	11	7,517,079	8,263,774
Employees' end of service benefits	12	2,184,813	2,003,512
<b>Total non-current liabilities</b>		<b>9,701,892</b>	<b>10,267,286</b>
<b>Current liabilities</b>			
Accounts and other payables	13	18,637,959	21,023,491
<b>Total liabilities</b>		<b>28,339,851</b>	<b>31,290,777</b>
<b>Total equity and liabilities</b>		<b>44,092,975</b>	<b>43,762,932</b>

The financial statements were authorised for issue by the Board of Directors on 14 March 2017 and signed on their behalf by:

 Chairman	 Chairman Office	 Executive President
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The attached notes 1 to 28 form part of these financial statements.

**Telecommunications Regulatory Authority**  
Financial statements for the year ended 31 December 2016

**Statement of comprehensive income**

	Note	2016 RO	2015 RO
<b>INCOME</b>			
Radio spectrum income	14	13,795,386	13,963,661
Annual telecom licenses	15	5,323,258	4,927,400
Income from issuing numbers		850,856	880,420
Postal services income		923,545	655,315
Telecom equipment type approval income	16	257,101	310,673
Domain name income		52,194	50,270
Other telecom license fees		53,240	33,280
		<b>21,255,580</b>	<b>20,821,019</b>
<b>OPERATING EXPENSES</b>			
Salaries and employee related costs	17	6,597,207	7,023,454
General and administrative expenses	18	1,461,891	3,778,525
Consultancy fees		219,253	302,244
Depreciation	5	1,634,752	1,661,769
Donations to charitable institutions	20	300,000	300,000
Monitoring station costs	19	106,050	86,502
Allowance for credit losses	6 c)	8,180	6,667
Remuneration to Board of Directors		72,000	72,000
		<b>10,399,133</b>	<b>13,231,161</b>
<b>Operating income</b>		<b>10,856,447</b>	<b>7,589,858</b>
Interest income	21	706,485	208,835
Government contributions	11	496,695	540,610
Provisions reversed during the year	22	54,310	128,134
Other income	23	78,867	1,009,069
<b>Surplus and total comprehensive income for the year</b>		<b>12,192,804</b>	<b>9,476,506</b>

Note:

There are no items of other comprehensive income for the year.

The attached notes 1 to 28 form part of these financial statements.

**Telecommunications Regulatory Authority**  
Financial statements for the year ended 31 December 2016

**Statement of changes in equity**

	Accumulated surplus RO
At 31 December 2014	9,804,916
Surplus transferred to Ministry of Finance (note 10)	(6,809,267)
Surplus for the year	9,476,506
<b>At 31 December 2015</b>	<b>12,472,155</b>
At 31 December 2015	12,472,155
Surplus transferred to Ministry of Finance (note 10)	(8,911,835)
Surplus for the year	12,192,804
<b>At 31 December 2016</b>	<b>15,753,124</b>

The attached notes 1 to 28 form part of these financial statements.

**Telecommunications Regulatory Authority**  
Financial statements for the year ended 31 December 2016

**Statement of cash flows**

	2016 RO	2015 RO
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	12,192,804	9,476,506
Adjustments for:		
Depreciation	1,634,752	1,661,769
Net movement of allowance for credit losses	146	(6,131)
Net movement of employees' end of service benefits	181,301	301,059
Government contributions	(746,695)	(540,610)
Interest income	(706,485)	(208,835)
Gain on disposal of property and equipment	--	(8,205)
Operating surplus before changes in working capital	12,555,823	10,675,552
Working capital changes:		
Telecom frequency fees receivable	13,955	103,777
Advances and other receivables	(51,011)	(6,001)
Accounts and other payables	(2,385,532)	5,905,392
Cash generated from operations	10,133,235	16,678,720
Interest received	40,275	76,723
<b>Net cash generated from operating activities</b>	<b>10,173,510</b>	<b>16,755,443</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Movements in short term deposits	1,000,000	(5,500,000)
Interest received	567,056	86,279
Net movement in property and equipment	(1,205,506)	(1,725,857)
Proceeds from disposal of property and equipment	--	12,890
<b>Net cash used in investing activities</b>	<b>361,550</b>	<b>(7,126,688)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Surplus transferred to Ministry of Finance	(8,911,835)	(6,809,267)
<b>Increase in cash and cash equivalents during the year</b>	<b>1,623,225</b>	<b>2,819,488</b>
Cash and cash equivalents at the beginning of the year	7,306,400	4,486,912
<b>Cash and cash equivalents at the end of the year</b>	<b>8,929,625</b>	<b>7,306,400</b>

The attached notes 1 to 28 form part of these financial statements.





[www.tra.gov.om](http://www.tra.gov.om)