Republic of Lebanon
Telecommunications
Regulatory Authority

Code of Practice for Value Added Services

Public consultation

Workshop
June 16th, 2009

Corine Feghaly
Information Consumer Affairs Unit
Telecommunications Regulatory Authority

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The "Code of practice for Value Added Services" now launched for consultation with a deadline to respond of June 30th, 2009

Purpose of issuing this Code of practice

- To protect consumers in relation to Value Added Services
- To emphasize the Value Added Services Providers' responsibility in ensuring that the content, promotion and operation of all their Value Added Services comply with all conditions of this Code
- To replace the previous document issued by the Ministry of Telecommunications, taking into account the new legal framework (Telecom law 431), the latest market developments and international best practices
- To hold Value Added Services Providers and Service Providers accountable towards the TRA for any breach of the Code

Today and until the closing date of this public consultation, Service Providers and VAS providers are able to provide their comments and get acquainted with their new obligations towards users of value added services

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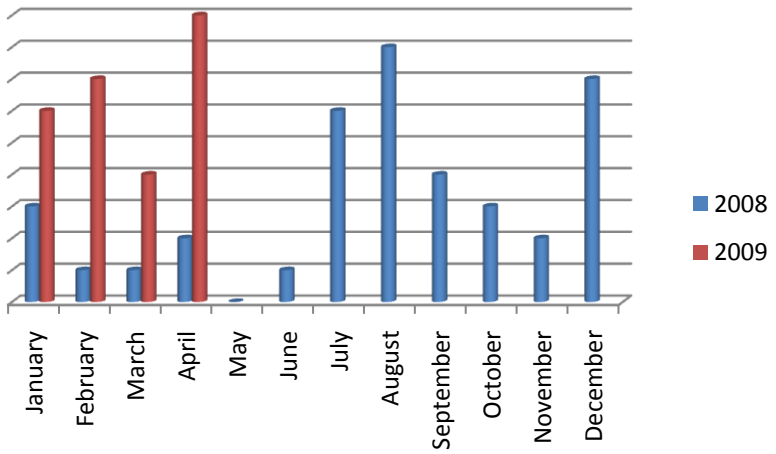
The growing volume of VAS complaints suggests that Lebanese have become increasingly dissatisfied with the level of customer service they are receiving

VAS Complaints forwarded by the MOET



- On February 11, 2009, the TRA and the Consumer Protection Directorate at the Ministry of Economy and Trade signed an MoU as a fundamental step to protect telecommunications consumers rights and solve their complaints
- Both institutions are now joining their efforts and sharing a hotline as a first step to better serve telecom consumers

Many complaints violated basic consumer rights

- **False price announcement** of the intended service related to prepaid customers (Postpaid fees mentioned only) where fees deducted were higher than announced
- **No price announcement** of the service in the announcement of intended service where consumers dollars lost at unexpected large amounts
- **Confidentiality not respected** through services that disclosed consumers personal information without their approval
- **False hopes of winning** through lottery types of services whereby an amount was promised but consumers unable to claim their prizes
- **Incorrect advertisement** of services used as a gimmick to incite consumers to contact and use the service

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This code is a necessary step towards addressing a worrying trend in the telecommunications sector which has been building for some considerable time

A Service Provider, prior to allowing any Value Added Service Provider to offer services over its network, shall ensure that the Value Added Service Provider has completed and signed the Agreement set out in Annex 1 of the Code whereby it agrees to be bound by this Code, as shall be the Service Provider itself.

Statement of agreement

We, the undersigned, confirm that we have read the Code of Practice for Value Added Services (Code) issued by the Telecommunications Regulatory Authority of Lebanon (Authority) and shall comply with all its provisions.
We also confirm that we shall comply with any decisions of the Authority concerning the Code of Practice as well as any decisions rendered by the Authority in the event of breach by us of the Code of Practice.

Signed: ……
……
Full name of Signatory
……
Position held in the Organization
Date: ……
The Value Added Service Provider

Signed: ……
……
Full name of Signatory
……
Position held in the Organization
Date: ……
The Service Provider through whom the VAS will be offered

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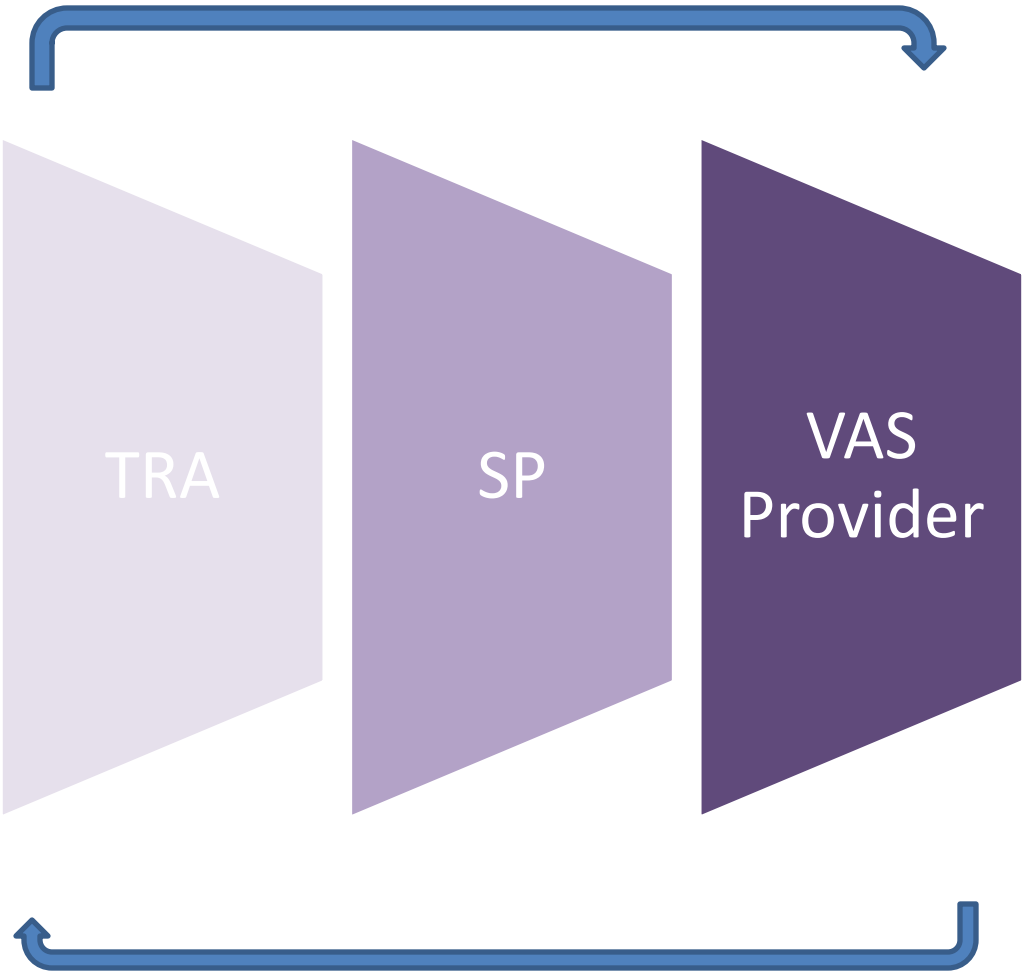
In this new Code, there is an obligation on VAS providers to make a representation to the TRA that they will abide by the new Code

Network Providers on whom the Code is binding will, through a **back-to-back** arrangement, hold VAS providers accountable towards the TRA for any breach of the new Code



NEW VAS Providers: The SP shall file the Agreement with the TRA 7 working days prior to the commencement of the provision of the VAS

Existing VAS Providers shall sign the Agreement and send it through the SP to the TRA 30 days from entering into force of this Regulation

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VAS providers must provide fairness of services and reliable content

Value Added Service Providers must ensure fairness of services

- ✓ An operational, honest and legal service
- ✓ Precise content and accuracy of products, services, offers, promotions and Prices

Value Added Service Providers must ensure Service Content:

- ✓ Does not contain anything in breach of the laws of the Republic of Lebanon, nor omit anything required by the laws
- ✓ Does not facilitate or encourage anything that is in any way unlawful
- ✓ Avoids the risk of confusion between itself and the Service Provider
- ✓Uses logos and brands pre-approved by their owner
- ✓clearly mentions name of VAS provider in the service welcome vocal message as well as in any promotional or advertising material In the case of audio services

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The TRA is very keen to ensure consumers are protected in the telecommunications industry

Value Added Service Provider **shall not provide or promote** services that are or contain messages that:

Are violent or pornographic
Degrade, demean or undermine the respect for human dignity, and for the protection of children and teenagers
Encourage the commission of crimes or offences or incite to the consumption of banned substances
Encourage discrimination, hatred or violence
Spread immoral advertisements of meeting between persons
Clash with religious or political convictions
Not appropriate for persons under age
Promote discrimination on the basis of gender, marital status, family status, sexual orientation, race, national origin, religion, age or disability
Result in invasion of privacy and induce fear or anxiety
Are unreasonable, excessive or misleading

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Confidence is a basic requirement for consumers to embrace new Value Added Services

REVERSE LOOK UP DIRECTORY SERVICES

NOT ALLOWED!

Services which allow the disclosure of details of the user of a given number, shall be treated by the TRA as services that contravene the privacy of the users and in breach of the Telecommunications Law and violates consumer privacy rights and the Consumer Affairs Regulation.

Example: Services for reverse directory (i.e. inputting the telephone number to disclose the name and /or address of the subscriber)

SERVICES INTENDED FOR UNDER AGE PERSONS

NOT ALLOWED!

Value Added Service Providers shall not offer nor advertise Premium Rate services for Under Age Persons.

ADVISORY SERVICES

THROUGH A QUALIFIED PRACTITIONER!

Value Added Services should include clearly, in the service advertisement or at the beginning of the communication, a warning to the users emphasizing that the services only provide general information and the service user should not act upon advice which needs individual interpretation without first consulting a qualified practitioner.

These services should indicate the identity of the specialist or specialists who bear the responsibility of the given advice, their experience and professional qualifications. All Value Added Service Providers shall ensure that the information provided complies with the Laws of the Republic of Lebanon.

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VALUE ADDED SERVICE PROVIDERS HAVE OBLIGATIONS CONCERNING TARIFF COMMUNICATION AND MUST ENSURE THAT:

1. call tariffs are clearly stated in all promotions
2. any initial charges, joining fees, recurring charges and frequency of recurring charges are clearly stated in all promotions
3. prices are noted in the form of numbers with the currency clearly stated
4. prices are noted per minute (or any other prevailing and approved time based unit) for time based/charged services and the minimum charge if any or the total maximum cost to the Consumer
5. price per minute is accompanied in all promotions by the notification of the maximum duration of the call
6. written and textual tariff information must be legible, prominent, horizontal and presented in a way that does not require close scrutiny
7. spoken tariff information must be easily audible, discernible and easily understood
8. the tariff information must be spoken or visually displayed in the advertisements transmitted on television, on websites, or in other audio-visual-format,
9. the price per minute/call must be displayed whenever a Premium Rate Number is displayed
10. calls made to the customer care of a Service Provider to obtain information or instructional messages necessary to obtain access to a service, must be free of charge

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The Advertising and Promotion for Games, Lotteries and Gambles must be clear

Games, Lotteries and Gamble

The application for this permit is filed with the Directorate of the National Lottery in Beirut in accordance with the Ministry of Finance Decision Number 373/1 dated March 19, 2009

The Service Provider must verify that the VAS Provider has duly obtained a decision signed by the Minister of Finance granting the above mentioned permit and must collect the following game description:

- the nature and rules of the game, the date and hour of the game start, the date and hour of the game end
- the prizes value as well as the precise rules of the winners' choices
- the precise dates, hours and places of the winners' selection and an exhaustive explanatory leaflet about the proposed used advertising mediums

This game description shall be made available to the TRA upon request

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The capacity of the user's comprehension and reaction shall not be reduced during the provision of a Value Added Service

THE QUALITY OF SOUND FOR AUDIO SERVICES

✓ Recordings sound level must be equalized and adjusted so that the messages can be easily heard

✓ The voice quality of the link between the VAS SP and the fixed or mobile operator should not be less than that of a transmission link over 64 kb/s channel used in E1 or ISDN links.

✓Messages must be clear, precise, using a correct language, as selected by the consumers at the beginning of the call, easily audible and easily understood

✓Menus and vocal messages must be coherent and well structured to allow the most normal and direct access to any information or function of the service

MAXIMUM DURATION OF AUDIO CALLS

The maximum duration of a Value Added Service call charged at Premium Rate must be limited to thirty (30) minutes. The Service Provider must make sure that every caller is provided with a warning after the lapse of every ten (10) minutes and that the service is automatically terminated where the thirty (30) minutes are reached (Tariff Announcement must start within 10 seconds from the start of the call)

Thank you!

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