

**TRA Administrative and Financial Regulations**  
**Decree No 14264 dated 4/3/2005**

**Ref.:** Official Gazette No. 10 dated 10/3/2005, P. 888

The President of the Republic,  
Pursuant to the Constitution,  
Pursuant to Law No. 228 dated 31/5/2000 (privatization process regulations, conditions and scope of implementation) and in particular Articles 6 and 7 thereof,  
Pursuant to Law No. 431, dated 22/7/2000 (the Telecommunications Law) and in particular Article 4 thereof,  
Pursuant to the recommendations of the Minister of Telecommunications,  
Following consultation with the State Advisory Council (Opinions No. 124/2002-2003 dated 27/2/2003, No. 174/2002-2003 dated 17/4/2003 and No. 58/2004-2005 dated 11/1/2005),  
Following approval of the Council of Ministers in its session held on 2/12/2004,

Ordains the following:

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**Article 1:**

Start of validity date: 3/10/2005

**Composition of the TRA Board**

The TRA Board is composed of a chairman and four members appointed on a full-time basis for a non-renewable and non-extendable term of five years upon recommendation of the Minister of Telecommunications by virtue of the decree adopted by the Council of Ministers. This Board shall assume jointly the duties and prerogatives provided for in the Telecommunications Law and in particular Article 5 thereof.

**Article 2:**

Start of validity date: 3/10/2005

**Appointment Conditions:**

1.2 The Chairman and members of the TRA board shall be appointed according to the provisions of Articles 6 and 7 of the Telecommunications Law. Upon appointment, each one of them shall submit a declaration confirming, at his/her own responsibility, the absence of impediments to appointment stipulated in Article 7 of the Telecommunications Law, and also undertaking to comply with the provisions of Article 7 of Law No. 228 of 31/5/2000 (regulation of privatization process), provided that the impediments stipulated in this article apply on TRA Chairman, Board members and all those authorized to act in their names.

2.2 Pursuant to the provisions of Law No. 154 dated 27/12/1999 (Unlawful enrichment law), and in view that they assume public service, the TRA chairman and board members should each submit, within one month from the date of their appointment, a signed declaration indicating the movable and fixed assets owned by him, his wife and his minor children. This declaration should be submitted in a sealed envelope marked with the word "Confidential" to the Minister of Telecommunications. In case the Chairman or any Board Member fails to submit this declaration within the specified period, he/she shall be considered as having legally resigned at the end of the said period.

2.3 The TRA Chairman and Board Members shall be prohibited from performing any paid or unpaid work during their term of office.

2.4 The TRA Chairman and Board Members should inform TRA in writing of any new developments that might affect their membership pursuant to the provisions of this Article and of Article 7 of the Telecommunications Law.

2.5 In case any of the relatives of the TRA Chairman or Board Members, up to the fourth degree, has an interest with any of the natural or legal persons operating in the Telecommunications Sector, the concerned Chairman or Member should inform TRA in writing about this fact in order to take the proper measures, such as abstaining from voting when deliberating relevant matters.

**Article 3:**

Start of validity date: 3/10/2005

**Waiting Period**

3.1 The TRA Chairman and members shall be prohibited, for two years following the end of their term of office, from performing any work forbidden by Article 7 of Law 228 dated 31/5/2000 (regulation of privatization process). In case the former chairman or member violates this prohibition, the provisions of Article 364 of the Penal Code shall be applied on him.

3.2 After the expiry of their term of office, the TRA Chairman and members shall have the right to perform any paid work outside the Telecommunications Sector. Before undertaking this job, they are required to submit to the TRA a declaration confirming that this job is not related to companies operating in the Telecommunications Sector in Lebanon or for Lebanon, subject to the application of the provisions of Article 364 of the penalty law against them.

**Article 4:**

Start of validity date: 3/10/2005

**Confidentiality Obligation**

Pursuant to the provisions of Article 6 of the regulation of privatization process law), the TRA Chairman and members shall respect, during and after the expiry of their term of office, the professional confidentiality concerning all information which they came to know during their performance of their duties or because of them. This obligation shall include the information classified by TRA as confidential according to its regulations and decisions.

**Article 5:**

Start of validity date: 3/15/2005

**End of membership**

5.1 The term of office of the TRA Chairman and members shall come to an end upon the expiry of this mandate period, or in case of death, resignation, termination of membership or dismissal, pursuant to the provisions of Article 8 of the Telecommunications Law.

5.2 When there is doubt that the job duties have been grossly violated, the Minister of Telecommunications shall refer the matter to the committee mentioned in Article 8 (2) of the Telecommunications Law in order that it may conduct investigations and report its findings to the Minister of Telecommunications.

The matter can be referred by the Minister of Telecommunications to the said committee according to a decision taken by the TRA Board. In this case, the Chairman or the member suspected to have committed the violation shall not participate in the meeting.

5.3 Every violation of the obligations mentioned in Article 4 above shall be considered a gross violation of the job duties. Provisions of Article 8 (2) of the Telecommunications Law shall then be applied, and the dismissal decision shall be confirmed by a decree issued by the Council of Ministers upon the recommendation of the Minister of Telecommunications, without prejudice to TRA's rights to prosecute the violator according to applicable laws.

**Article 6:**

Start of validity date: 3/10/2005

**TRA Structure**

6.1 The organization structure and staff of TRA shall be issued by a decree approved by the Council of Ministers.

6.2 The TRA shall be comprised of 4 administrative units:

- a- Market and Competition Unit
- b- Telecommunications Technologies Unit
- c- Legal Affairs and Licensing Unit
- d- Information and Consumer Affairs Unit.

6.3 These units shall assume the relevant duties and responsibilities specified in Article 7 of this decree, provided that coordination among them shall be performed through the relevant unit heads and under the TRA chairman's supervision.

6.4 Three sections, directly attached to the TRA Chairman, shall be formed:

- a- The Administrative Affairs Section. Its duties shall include:  
Implementation of TRA statute, proposal of employment

conditions, management of personnel affairs, development and training of human resources; in addition to assuming duties of TRA secretariat, including assisting the chairman in preparing the meetings, agenda, keeping the meetings reports and making copies or summaries thereof.

- b- The Financial Affairs Section. Its duties shall include: Assisting the chairman in preparing the budget proposal, monitoring its proper implementation and performing the accounts.
- c- The Internal Audit Section. Its duties include: Auditing the TRA budget and accounts, according to the TRA decisions.

**Article 7:**

Start of validity date: 3/10/2005

**Duties of the Units**

7-1 Each Unit shall assume the following duties:

- a- The Market and Competition Unit.

This unit shall be responsible for all economic affairs related to the Telecommunications Market including its financial and technical aspects examples are:

- 1- Conducting economic and financial analyses, research and studies concerning the telecommunications market in Lebanon and its potential development.
- 2- Proposing interconnection and numbering conditions, spectrum management conditions and other technical matters, monitoring compliance for ensuring equality and competition in the telecommunications market.
- 3- Proposing telecommunications policies to be submitted to the Minister of Telecommunications after approval of TRA chairman and members.
- 4- Conducting studies about usage fees of radio frequencies.

- 5- Studying the tariffs charged by services providers with significant market power.
- 6- Managing analytical accounting, ensuring that service tariffs are charged based on their costs.
- 7- Proposing and implementing comprehensive services policy and conditions.
- 8- Assessment of telecommunication technologies development effects on telecommunication market in Lebanon

This unit should provide support in its field of specialization to all other units.

b- Telecommunications Technologies Unit:

This unit shall be responsible for all technological matters related to technical resources, telecommunication equipment and supplies. Example are:

- 1- Management of radio frequency spectrum, numbering and other technological matters.
- 2- Ensuring the proper technical implementation of interconnection agreements.
- 3- Following-up developments in modern technologies for ensuring the existence of a modern and developed telecommunications market.
- 4- Monitoring the quality of services offered by service providers with significant market power.
- 5- Monitoring the rights of easement on properties owned by the state and the municipalities.
- 6- Setting the adopted standards for the telecommunications and equipment and supplies

This unit should provide support in its field of specialization to all other units.

c- Legal Affairs and Licensing Unit:

This unit shall be responsible for all legal affairs and licensing issues relevant to the telecommunications market. For example:

- 1- Monitoring the activities of service providers to ensure their compliance with the provisions of the Telecommunications Law and its executive decrees, as well as the regulatory decisions issued by TRA.
- 2- Management of licensing procedures and license issue, and ensuring compliance with the legal aspects.
- 3- To prepare the legal studies, draft laws and decrees in order to satisfy the sector needs and to update its legal framework.
- 4- To prepare the disputes and complaints documents referred by TRA.
- 5- To mediate between telecommunications service providers, relevant administrations and municipalities concerning the utilization of public properties.

This unit should provide support in its specialization field to all other units.

d- The Information and Consumer Affairs Unit

This unit shall be responsible for all information matters in order to ensure transparency, as well as for all consumers affairs in order to ensure public awareness and consumer protection. Examples are:

- 1- Ensuring public awareness of TRA activities, responding to enquiries and providing clarifications about TRA decisions.
- 2- Organization of forums and lectures.
- 3- Promulgation of reports and various documents.
- 4- Management of TRA website.

- 5- Dealing with complaints referred to it concerning disputes between telecommunications service providers or between service providers and their subscribers or beneficiaries of their services.
- 6- Preparing consumer statistics, questionnaires, reports and analyses.

This unit should provide support in its specialization field to all other units.

7.2 The TRA board shall be required to define the duties of each unit or to re-distribute these duties within or among the units, to establish new duties and cancel existing duties and to develop the cooperation procedures to be followed by the units.

**Article 8:**

Start of validity date: 3/10/2005

**Prerogatives and Duties of TRA Chairman:**

8.1 The TRA Chairman shall ensure the proper performance of duties and prerogatives entrusted to TRA.

8.2 The TRA Chairman shall be entrusted with the following powers:

- a- To preside the executive staff in his capacity as the hierarchical president of the TRA and its personnel.
- b- To represent TRA vis-à-vis others and before courts and to sign on its behalf.
- c- To call for TRA meetings, draw up meeting schedules, make necessary preparations and manage these meetings.
- d- To operate TRA accounts, sign on withdrawals according to TRA decisions.

8.3 The TRA Chairman shall assume the following duties:

- a- To ensure implementation of TRA decisions and organize its daily affairs.



- b- Coordination among units in order to ensure progress of work.
- c- To prepare the budget proposal.
- d- To prepare the projects stipulated by law or those decided by the TRA.
- e- To manage the sections attached directly to him.

8.4 The Chairman may delegate some of his powers or duties to one of TRA board members, provided that such delegation is done in writing, restricted to specific issues and for a limited period. In case of his absence or his inability to perform his duties for any reason, the oldest member shall act on his behalf, unless agreement is reached between TRA board members that a certain member shall assume these duties.

**Article 9:**

Start of validity date: 3/10/2005

**Duties of TRA Board Members**

Each one of the four TRA Board members shall be responsible for the management of one of the units. These units shall be assigned to each member during the first meeting held by TRA, after taking into consideration, the qualifications and experiences of each member. In case of disagreements about the assignment process, its settlement shall be the prerogative of the chairman.

**Article 10:**

Start of validity date: 3/10/2005

**Periodic Meetings**

10.1 The TRA board shall meet periodically in its offices in order to perform the duties entrusted to it and to take the proper decisions aiming to secure the progress of work.

10.2 The TRA shall hold two meetings monthly at least without the need for sending any notice. The two days for holding these meetings shall be specified during the first board meeting. If any of these days falls on an official holiday, the meeting shall take place on the following working day. TRA affairs and any other topics proposed by the Chairman or any board member pursuant to the

provisions of Article 11 (5) of this decree. Shall be discussed during these periodic meetings.

**Article 11:**

Start of validity date: 3/10/2005

**Additional Meetings:**

11.1 The TRA Board may hold additional meetings. The TRA Chairman shall set the dates of such additional meetings and notify the members about the meeting schedule by any appropriate means, including e-mail. The date of this e-mail message shall be used for calculating the notification period.

The notice should be sent three days at least before the meeting, except in emergency cases when the Chairman may notify the members before 24 hours only.

11.2 Provisions of Para 1 of this article do not apply to periodic meetings held by TRA pursuant to the provisions of Article 10 of this decree.

11.3 The TRA board shall also meet upon the request of two of its members to study specific issues. The meeting date and schedule are notified to the chairman and the two other board members three days at least before the fixed date.

11.4 TRA may skip the formal procedures mentioned in paragraphs 1, 2, and 3 of this article in case all members attend the meeting.

11.5 Any member of TRA board may request that an issue not included in the schedule be discussed, provided that the chairman and the other board members are notified one day at least before the meeting date. The Chairman may decide not to include this issue in the meeting schedule, provided that he will include it in the schedule of the following meeting.

11.6 The TRA board may hold its meetings during holidays if all members agree.

**Article 12:**

Start of validity date: 3/10/2005

**Quorum and Absolute Majority**

12.1 The quorum for TRA board meetings shall be considered legally met with the presence of the absolute majority of the members pursuant to the provisions of Article 6 (2) of the Telecommunications Law.

12.2 Decisions of TRA board shall be taken by absolute majority pursuant to the provisions of Article 6 (2) of the Telecommunications Law.

12.3 If necessary, a member of TRA board may delegate another member to represent him in the meetings vide a written authorization, provided that the absentee had expressed his

comments in writing about all items listed in the agenda and that these comments are distributed to all board members. The absent member should indicate in the following meeting the reasons for his absence. Each member may represent only one absent member.

12.4 If the TRA chairman or a board member fails without a valid reason, to attend three consecutive meetings, or six meetings during the year, he shall be considered as legally resigned and his resignation shall be confirmed vide a decree taken by the Council of Ministers upon recommendation of the Minister of Telecommunications. For the provisions of this Para, the period of one year shall be calculated from the date of his absence from the first meeting.

**Article 13:**

Start of validity date: 3/10/2005

**Meeting Procedures**

13.1 Voting during the meetings shall be performed by raising the hand, unless the chairman or two members of the board request, for exceptional reasons, voting by ballot.

13.2 The Head of the Administrative Affairs Section shall assume the secretarial duties.

13.3 The meeting report should include the issues discussed and the decisions taken; they should be signed by the chairman and all other present members.

13.4 Any board member may obtain a copy of the meeting report. Also, any stakeholder may obtain copies of the decisions taken by TRA against a fee to be determined by the Board.

**Article 14:**

Start of validity date: 3/10/2005

**Validity of TRA Decisions**

TRA decisions shall come into force starting from the date of their issue if they are related to internal affairs, starting from the date of their notification to the concerned persons if they are related to them and starting from the date of their publication in the official gazette in case they have a public character.

**Article 15:**

Start of validity date: 3/10/2005

**Fiscal Year**

The fiscal year shall be calculated as from January 1 to December 31 of each calendar year.

**Article 16:**

Start of validity date: 3/10/2005

**Budget**

16.1 The Chairman, assisted by the Financial Affairs Section, shall prepare and submit the annual budget proposal to the TRA for approval.

16.2 The TRA shall prepare and submit its budget for the following year to the Ministers of Telecommunications and Finance, three months at least prior the end of each fiscal year.

**Article 17:**

Start of validity date: 3/10/2005

**Budget Preparation rules.**

17.1 During the preparation of the budget proposal, the TRA chairman shall take into consideration the recommendations submitted by every member of TRA board concerning its unit.

17.2 The budget revenues and expenditures shall be estimated on the basis of the actual revenues and expenditures and the average monthly revenues and expenditures of the current year, taking into consideration the expected developments in the following year.

17.3 The budget shall include a table listing anticipated revenues pursuant to Article 11 of the Telecommunications law. When the expenditures exceed the revenues, the TRA may obtain financial facilities pursuant to laws in force.

**Article 18:**

Start of validity date: 3/10/2005

**Budget Approval**

Following the budget approval by TRA, the Chairman shall submit it to the Ministers of Telecommunications and Finance who should, within 30 days from the date of its registration at the relevant office of both these ministries, either ratify it or refer it to the Council of Ministers for a ruling. Otherwise, the budget shall be considered legally ratified.

**Article 19:**

Start of validity date: 3/10/2005

**Special provisions –1<sup>st</sup> fiscal year**

19.1 The first fiscal year shall be calculated from the date of issue of the first decree appointing the TRA Chairman and Board Members up to 31 December of the same year.

19.2 The budget for the first fiscal year should be prepared within three months following the date of issue of the decree appointing TRA Chairman and Board Members.

19.3 The budget for the first fiscal year shall include a table listing all necessary initial expenditures, including procurement or rental fees of TRA offices, procurement and installation of computer systems and equipment in addition to any other necessary expenditure to furnish and activate TRA offices.

**Article 20:**

Start of validity date: 3/10/2005

**Monthly Report**

The Financial Affairs Section shall prepare a monthly report to be submitted to TRA Chairman who shall notify the members of its contents. This report shall include.

- a- A table listing TRA accounts for the previous period of the current fiscal year, compared with the accounts of the corresponding period of the previous fiscal year.
- b- A table listing the anticipated revenues and expenditures during the current month, with an explanation of any unusual items listed in that table.

**Article 21:**

Start of validity date: 3/10/2005

**TRA Funds Management System**

The TRA should develop a special system for the management of its funds including the following:

- a- Specifying the control and supervisory rules for the collection and disbursement of any funds.
- b- Laying down the rules for issuing and keeping the receipts and invoices evidencing payments and collections.
- c- Laying down the rules for disposal of TRA special funds.
- d- Determining the measures deemed necessary by TRA to ensure proper control of its disbursements.
- e- Determining the maximum expenditures which the Chairman may dispose of without recourse to the TRA board.

After completion of its fund management system, TRA should submit it to the Ministers of Telecommunications and Finance for approval.

The TRA should ensure that its chairman, board members and employees comply with its special rules for the management of its funds.

**Article 22:**

Start of validity date: 3/10/2005

**Reports submitted to the Council of Ministers and the Accountancy office.**

22.1 The Financial Affairs Section shall prepare these reports should be the annual financial reports under the chairman supervision. After approval of TRA submitted to the Minister of Telecommunications who will send a copy thereof to the Minister of Finance and the Accountancy Office before submitting them to the Council of Ministers.

22.2 The TRA shall charge its chairman or any one of its members to respond to the inquiries of the Council of Ministers or the Accountancy Office concerning the annual financial reports submitted to these two parties.

**Article 23:**

Start of validity date: 3/10/2005

**TRA Audits**

Pursuant to the provisions of Article 11.2 (6) of the Telecommunications Law, the TRA shall appoint a licensed auditing firm to audit its accounts on an annual bases. This firm should prepare and submit an audit report to TRA chairman within three months from the end of the year.

The TRA may not contract a licensed audit firm for a period exceeding 5 consecutive years.

**Article 24:**

Start of validity date: 3/10/2005

**Keeping Accounting Documents**

The TRA shall maintain the financial and accounting documents for a period of 10 years minimum.

**Article 25:**

Start of validity date: 3/10/2005

**TRA Head Office**

The Location of TRA head office shall be in Beirut. TRA can, however, establish offices in any other region within Lebanon vide a decision issued by it.

**Article 26:**

Start of validity date: 3/10/2005

**TRA Rules and Regulations**

Within one year from commencement of its work, the TRA shall establish its special rules and regulations stipulated in the Telecommunications Law and in particular:

- 1- TRA employee system and conduct rules according to the provisions of Article 10 of the Law.
- 2- Rules for publication of information pursuant to the provisions of Article 12 of the Law.
- 3- Rules for review of decisions pursuant to the provisions of Article 14 of the Law.
- 4- Rules for management and licensing the utilization of radio frequencies pursuant to the provisions of Articles 15 - 17 of the Law.
- 5- Rules for licensing telecommunications service providers pursuant to the provisions of Articles 18 - 24 of the Law.
- 6- Control, inspection and imposition of penalties pursuant to the provisions of Articles 27 - 42 of the Law.

**Article 27:**

Start of validity date: 3/10/2005

**TRA Relations with Ministries**

27.1 Within three months from the appointment of its chairman and board members, TRA shall assign from among its high ranking staff the employees responsible for coordination and exchange of information with the various relevant ministries, particularly the following:

- a- The Ministry of Telecommunications in matters which are within the prerogatives of the Minister of Telecommunications.
- b- The Ministry of Defense concerning security and defence issues.
- c- The Ministry of Justice in matters concerning control, inspection and implementation of legal regulations.
- d- The Ministry of Finance and Municipalities in matters concerning the utilization of public domains of the State and the Municipalities.

27.2 TRA shall submit simultaneously to the Minister of Telecommunications and the Council of Ministers a recommendation for instructing relevant ministries to form liaison committees with TRA, in order to coordinate and exchange information relevant to common issues.

These committees shall meet once every three months at least to discuss issues relevant to the concerned ministry; however, the committee charged with coordination with the Ministry of Telecommunications shall meet once every month at least.

27.3 If necessary, TRA shall establish sub-committees to study the detailed issues that require frequent meetings.

**Article 28:**

Start of validity date: 3/10/2005

**TRA Autonomy**

The provisions of the articles of this decree shall be explained and implemented in a manner that does not contradict with TRA's financial and administrative autonomy, stipulated expressly in the Law.

**Article 29:**

Start of validity date: 3/10/2005

**Disclosure of Information**

29.1 TRA board members should be transparent during the performance of their work and the fulfilling their responsibilities.

29.2 In addition to its annual report prepared pursuant to the provisions of Article 5 of the Telecommunications law, TRA shall publish all pamphlets, analyses, reports or other publications covering its activities.

20.3 TRA shall develop its own web site that will include all relevant information, including:

- a- Legal and regulatory provisions, decisions and rules concerning the Telecommunications Sector in Lebanon.
- b- Procedures, rules, regulations, pamphlets and reports issued by TRA.
- c- Annual report and other TRA publications.
- d- Public Consultation Information.
- e- License Information.
- f- Lebanese Telecommunications Market Information and development.
- g- Any information to be published pursuant to the applicable provisions.
- h- Any other information which could be useful specially to service provides, investors, regulators and consumers.



**Article 30:**

Start of validity date: 3/10/2005

**General Consultations and Advisory Committees**

30.1 TRA shall endeavor to develop the Telecommunications Sector in Lebanon according to the best international standards, to lay down the regulations which will contribute to stimulating investments in the Lebanese Telecommunications Sector, to promote competitive markets and to protect the consumers.

30.2 TRA shall form advisory committees, organize public meetings and consultation sessions with telecommunications service providers, consumers and experts in the field of telecommunications regulation, in order to acquaint itself with their opinions and recommendations concerning issues relevant to the Telecommunications Sector and its development.

30.3 When necessary, TRA shall invite certain professionals to submit regulatory proposals and to assess regulatory projects issued by it or by the Ministry after providing sufficient information, time and means to contribute in such proposals and projects. This information should be published, when possible in the aim of notifying the consumers of regulatory projects and proposals.

**Article 31**

Start of validity date: 3/10/2005

This decree shall come into force upon its publication in the Official Gazette.

Baabda 4 March 2005  
Signed: Emile Lahoud

Issued by the President of the Republic  
Prime Minister  
Signed: Omar Karamé

Minister of Telecommunications  
Signed: Jean Louis Qordahy  
Minister of Justice  
Signed: Adnan Adoum

Minister of Finance  
Signed: Elias Saba