



هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority
مملكة البحرين - Kingdom of Bahrain

DECISION NO 5 OF 2017

The Complaint

The Telecommunications Regulatory Authority (“the Authority”) is in receipt of a complaint submitted by Etisalcom Bahrain W.L.L (“Etisalcom”) on 30 November 2015 (the “Complaint”), alleging that Zain Bahrain B.S.C (“Zain”) is not charging Etisalcom the regulated price for SMS termination services when it should be.

The essence of Etisalcom’s complaint is summarized in its complaint submission as follows:

“Being an OLO, with all the relevant licences to provide SMS services, we believe we should be charged the same approved regulated rate of BD 0.000443/SMS as MNOs charge each other....However, Etisalcom is being charged... [REDACTED] per SMS...which has no basis in...Zain Bahrain B.S.C’s Reference Offer.

For voice and data services, Etisalcom is charged by the MNOs in accordance with the regulated rates approved in the Reference offer documents. However, when it comes to SMS termination, it seems as if Etisalcom is treated more as a marketing or advertising company running bulk messaging campaigns rather than a local telecom operator licensed to provide SMS services...

the reason given by Zain Bahrain B.S.C...is that the regulated rate...is only for P2P traffic and not applicable to A2P traffic...MNOs charge each other the same regulated rate of BD 0.000443/SMS for A2P and P2P messages”.¹

¹ Paragraphs 3.1.2 to 3.1.4 of Etisalcom’s complaint submission



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Etisalcom considers that Zain's conduct constitutes a breach of the tariff control obligations under Article 58 and price discrimination in breach of Article 65 of the Telecommunications Law ("the Law"). Etisalcom states that it is unable to compete with other operators, in particular, international SMS aggregators, who it says are supplied the SMS termination service at a lower price. Etisalcom complains that several international SMS wholesalers have refused to sign supply agreements with Etisalcom due to its uncompetitive pricing.

Etisalcom refers to previous communication with the Authority concerning this matter and advises that it raised the matter directly with Zain in accordance with the Authority's instruction.² Etisalcom provided the Authority with copies of email correspondence it had with Zain on this matter. Etisalcom states that Zain continues to invoice it for SMS services at the higher rate and therefore it raised a formal complaint with the Authority.

Etisalcom requests that the Authority direct Zain to supply SMS termination services at the regulated rate of BD 0.000443/SMS and to issue a credit note for the difference between what Etisalcom has been charged and the regulated rate for the services supplied since it agreed to commercial terms for the supply of the service.

Zain's response

The Authority informed Zain of the Complaint by way of letter dated 29 February 2016.

On 20 March 2016, Zain provided a confidential and non-confidential reply to the Authority ("Reply"). The following extracts are from Zain's non-confidential Reply:

² Letter from the Authority to Etisalcom dated 4 May 2015



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"The Dominance designation for termination services on individual mobile networks³ affirms that termination is necessary for a communication between two customers of different networks (i.e an "off-net" communication), that is to ensure fair, reasonable and non-discriminatory interconnection tariff for OLO's to deliver call to the operator in dominant position. P2P SMS traffic type is affiliated with this principle and therefore SMS termination rate of BHD 0.000443 is set in accordance to the approved Reference Offers. And this is consistent with the SMS Termination definition in Zain's approved Reference Interconnect Offer ("RIO"), in which SMS message is defined as "means of sending limited size to and from GSM/UMTS/EPS mobiles. As defined in the latest 3GPP TS 23.040 V12.1.0 (2013-09)" [emphasis added by Zain]...

Whereas, the other type of traffic [A2P] does not establish similar requirement under regulated termination service. Rather, it is a retail service that is often referred to as bulk SMS service which enables subscribers and resellers to send SMS's to end-users. Those messages are usually marketing and transactional message such as sales promotions or bank notifications, and therefore generated by a machine, web-portal or an application...

Etisalcom as a global mobile application provider has signed with Zain a SMS service agreement...on 24/07/2013, for the purpose of delivering A2P SMS (on-net and off-net) at a commercially agreed rate....

Etisalcom is currently utilizing the SMS agreement with Zain which is outside the scope of the RIO, for the purpose of conveying Bulk SMS from contracted sources into Bahrain...

SMS termination service applies should Etisalcom has P2P SMS traffic originated by their fixed subscribers. For the avoidance of doubt, Etisalcom never applied for SMS Termination Service and fulfilled the relevant requirement and processes in accordance to Zain's RIO...

³ MCD/02/10/010



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Etisalcom claims to set the A2P bulk SMS service rate to be equivalent to the regulated SMS Termination rate is unjustified."

Further information from Etisalcom

On 26 September 2016, in response to a request for further clarification from the Authority concerning Etisalcom's interconnection arrangements, Etisalcom advised that:

"Etisalcom has deployed a proper Short Message Service Centre (SMSC) since the inauguration of the service in December 2012 and have physical SS7 E1 connectivity with all Bahrain Mobile Network Operators (MNOs). We established SS7 links with Zain in January 2013.... through our SMSC using GT-13338475 and GT-13338476 for which Etisalcom is being charged separately on a monthly basis..."

Unlike other international SMS carriers who have SMPP connectivity with local MNOs"⁴

Etisalcom also provided the Authority with a copy of its August 2016 invoice from Zain, highlighting specific costs for SMS traffic and signalling.

Further information from Zain

On 27 December 2016, Zain provided a reply ("**Second Reply**") to a request from the Authority for further information concerning the technical and commercial arrangements that it has in place with other operators for the termination of A2P services on its network. The following extracts are from Zain's Second Reply:

"1. Type of connectivity is irrelevant to the termination rate that should be applied..."

⁴ Email from Mr. Rashed Abdulla Al-Snan to Dr Jean Pierre Scerri dated 26 September 2016



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2. In Etisalcom's case, they are obtaining CSI links from Zain for the voice termination service (CTR and WIIC)⁵ and the toll-free service. Later on, upon signing the Bulk SMS Agreement they decided to utilize the same links for A2P SMS termination. Thus the monthly charged amounts are against the CSI links required, regardless of traffic service is being transmitted and conveyed over the physical links.

3. Unlike Etisalcom's assertion, Zain is connected with international SMS Carriers....using SDH connectivity (SS7 Protocol) and in the same time, Zain is connected with local bulk SMS service resellers...using SMPP connectivity. Choosing SS7 protocol for the A2P SMS service was Etisalcom's choice in the first place and they are free to change it to SMPP (internet VPN connectivity) at any time"

In regards to the technical feasibility of being able to distinguish between P2P SMS traffic and A2P SMS traffic, Zain advised that:

"Whether the connectivity used is (SS7) or (SMPP), two different physical links or two logical trunks can be configured at connection level, each to carry different classification of the traffic (herewith A2P SMS and P2P SMS). This can be agreed on and arranged between the technical teams of both operators. Furthermore, another distinction can be done from the IT-Billing level, by which messages with alphanumeric Sender ID are classified as A2P SMS (e.g bank name, merchant name, application name...etc), and messages with only numeric Sender ID are classified as P2P SMS (i.e mobile numbers).

These techniques and setup arrangements are currently in practice. For example, to distinguish between the voice traffic originated locally or international and terminated on MNO network...We are applying the above mentioned technical setup with International SMS hubs, differentiating the type of SMS originated from Zain network towards international destinations"

⁵ "Reference Offer Orders on Batelco, Viva and Zain setting the regulated call termination rates" dated 17 September 2015, ref: MCD/09/15/067



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As to whether Zain extends the regulated SMS termination rate to A2P traffic from Batelco and VIVA, Zain advised that:

“Currently, Zain is allowing for the termination of A2P SMS traffic from Batelco and VIVA at the regulated rate of SMS Terminating Access Service... The main reason for this was the fact that both MNOs were not resellers or aggregators of A2P SMS. However, this has been changed recently; therefore, Zain has sent two letters both Batelco and VIVA in this regards [18th of August and 8th of December 2016]... as of 1st January 2017. In which the new rate for A2P SMS termination will be BHD 0.003 per SMS. Furthermore, Zain proposed to maintain reciprocity in A2P SMS termination rates.”

Relevant law

Etisalcom alleges that Zain has breached Article 58 relating to “Tariffs for Telecommunications Services”, and Article 65 “Anti-Competitive Conduct” of the Law. Article 58 sets out Tariff Controls requirements, with sub-Article 58(b) requiring that tariffs charged by Licensed Operators shall be fair and equitable, non-discriminatory and based on forward-looking costs. Article 65 of the Law prohibits specified anti-competitive conduct in the course of or in connection with operating a Telecommunications Network or providing a Telecommunications service.

However, as set out in the extracts of the Complaint above, the essence of Etisalcom's concern is that Zain breached Article 57 “Interconnection and Access” of the Law by failing to offer Etisalcom interconnection with the SMS Termination Service on the terms and conditions and tariffs set out in Zain's Reference Interconnection Offer (RIO). This is also the focus of Zain's Reply.

Article 57 of the Law sets out Interconnection obligations for Public Telecommunications Operators. Article 57(a) of the Law imposes an obligation on operators to negotiate interconnection in good faith and in accordance with the rights and obligations set out in their licences and regulations.



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Article 57(b) and (c) place specific obligations on operators found to hold a Dominant Position in a market. Once an operator is determined to be Dominant, it is obliged to publish a RIO approved by the Authority. Article 57(c) of the Law provides that the Dominant operator shall offer Interconnection with any Licensed Operator on request and on the terms, conditions and tariffs set out in its RIO.

The Authority determined that Zain is dominant in the market for termination services in the Determination "Dominance designation for termination services on individual mobile networks" published on 1 February 2010 ("the 2010 Determination"). The Authority approved Zain's RIO on 7 September 2014. Authority records show that Zain published its RIO on 2 October 2014.

Assessment

1. Is Zain obliged to interconnect with Etisalcom on the terms of its RIO?

Under Article 57(c) of the Law, Zain is obliged to offer interconnection on the terms of its RIO to any Licensed Operator that requests interconnection.⁶

The definition of a "Licensed Operator" is "a *Person who is licensed to operate a Telecommunications Network or to provide a Telecommunications service under Article 25 of this Law*".⁷

⁶ "Interconnection" is defined under the Law as "the physical and logical linking of Telecommunications Networks used by the same or a different operator in order to allow Subscribers of one operator to communicate with Subscribers of the same or another operator, or to receive services provided by another operator"

⁷ Article 1 of the Law



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Etisalcom holds the following licences:

1. Individual License for International Telecommunications Services (ISL) (19 March 2005)
2. Class License for Value Added Services (VAS) (19 March 2005)
3. Class License for Internet Services (ISP) (26 July 2005)
4. Individual License for National Fixed Services (NFL) (15 May 2006) and
5. Individual License for International Telecommunications Facilities (IFL) (29 August 2006).

Given that Etisalcom is an operator licensed to operate a fixed network in Bahrain, it would appear that Zain is obliged under Article 57(c) of the Law, to Interconnect with Etisalcom in accordance with the terms and conditions of its RIO.

2. What is the service that is the subject of the dispute?

Etisalcom is a fixed operator providing integrated ICT solutions in Bahrain and overseas. Etisalcom's business also involves concluding agreements with third party businesses to send SMS messages to mobile phone users in Bahrain for marketing and/or information dissemination purposes.

Zain says that the service that is the subject of the dispute is a retail bulk SMS service rather than a wholesale service. In an email to Etisalcom dated 7 September 2015, Zain states that:

*"Bulk SMS is a retail service not a wholesale service provided by Zain. But since Etisalcom is a licensed operator, the wholesale team is managing the account. And the bulk SMS rate offered to Etisalcom was lowered than the standard rates in order to support you in this business."*⁸

⁸ Email from Mr Mohamed Yusuf Ahmed (Zain) to Mr Ali Iqbal (Etisalcom) dated 7 September 2015



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Zain does supply bulk SMS as a retail service, with a number of pre-paid and post-paid offers available <http://www.bh.zain.com/en/personal/services/bulk-sms/corporate-packages>. These packages are targeted at business customers that wish to send messages to their customers/employees. Business customers subscribing to such services would be able to make use of Zain's interconnection arrangements with other MNOs to supply their messages to mobile subscribers on these networks.

Etisalcom is effectively providing the same service to its customers. In order for Etisalcom to send messages to end-users in Bahrain on behalf of its customers, Etisalcom is not sending these messages itself (i.e. as it were a business customer of Zain's), but rather on behalf of its own business customers. These customers make use of Etisalcom's interconnection with MNOs networks to send messages to mobile subscribers in Bahrain. To enable this, Etisalcom must terminate its traffic on mobile networks and therefore it requires SMS termination services from the MNOs (as well as to terminate voice and data traffic). It has interconnection links in place with Zain to deliver this service.

Given the above, the Authority disagrees with Zain's characterisation of the service as a retail service. The Authority is satisfied that Etisalcom has acquired the service for the purpose of terminating messages from its customers on Zain's mobile network. Therefore, it is best described as a SMS termination service. A termination service is a wholesale service.

3. Is Zain obliged to supply Etisalcom with SMS Termination services in accordance with its RIO?

As noted above, the Authority is satisfied that Etisalcom is acquiring SMS termination services. In its 2010 Determination, the Authority notes that:

"Termination services are interconnection services. They include voice calls, Short Messaging Services (SMS) and Multimedia Messaging Services (MMS) termination."



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As a result of this Determination, Zain is obliged to include the terms and conditions and tariffs for voice, SMS and MMS termination services in its RIO. Schedule 2.2 of Zain's RIO sets out the terms and conditions of the SMS Termination Service. Article 57(c) of the Law provides that the Dominant operator shall offer Interconnection with any Licensed Operator on request and on the terms, conditions and tariffs set out in its RIO.

At paragraph 13 of the 2010 Determination, the Authority states that:

"Wholesale termination on mobile networks is also relevant for customers of fixed networks calling customers of mobile networks as well as for off-net SMS and MMS. Hence, it also purchased by fixed operators for terminating fixed originated calls on mobile networks"

Zain has confirmed that it supplies MNO licence holders (Batelco and VIVA) with the SMS Termination Service at the regulated tariff.

Article 57(b) of the Law provides that a Dominant operator is bound by non-discrimination obligations in the supply of Interconnection services, requiring that:

"The tariffs and terms of the Interconnection offered may differ between a Licensed Operator and another only where objectively justifiable on the basis of the type of Interconnection"

Etisalcom is a fixed operator that requires wholesale termination services from MNOs. Given that Etisalcom is also a Licensed operator in Bahrain, it would appear that Zain is obliged, under Article 57(c) of the Law and pursuant to Zain's non-discrimination obligations, to supply Etisalcom with the SMS Termination Service in accordance with the terms and conditions of its RIO.

4. Is there an objective justification for differential treatment of Etisalcom?

Article 57(b) of the Law provides that Zain can supply Etisalcom with the SMS Termination Service on different terms to MNOs if it is *"objectively justifiable on the basis of the type of Interconnection"*.

The Authority's Competition Guidelines state that:



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“TRA will likely make an “a priori” assumption that discrimination in wholesale markets by a dominant operator is harmful to competition by enabling an operator to leverage dominance between markets...In the event of an alleged breach of Article 57 and/or 65 in this manner, the operator subject to the complaint will be required to provide objective justification for the differential treatment in order to rebut this presumption. TRA will therefore consider whether the customers’ circumstances can explain the differences in treatment. This will entail primarily considering whether the customers differing circumstances affect the costs of supply and hence the terms offered.”⁹

Zain’s Reply states that it is not obliged to supply Etisalcom with the SMS Termination Service at the regulated tariff because:

- (i) The definition of SMS message under the RIO means that the SMS Termination Service is only available where SMS messages can be sent to and from networks – the A2P messaging that Etisalcom supplies does not allow termination of SMS messages on Etisalcom’s network and is therefore inconsistent with the SMS Termination Service Description under Zain’s RIO.
- (ii) The type of interconnection arrangements that Etisalcom has in place with Zain are irrelevant to whether Etisalcom is eligible for the regulated SMS Termination rate.
- (iii) As an aggregator of A2P SMS traffic, Etisalcom is not eligible for the regulated SMS termination rate. While Zain has allowed VIVA and Batelco traffic to terminate at the regulated rate, VIVA and Batelco have not been aggregating or reselling A2P messages. However, Zain has advised that it is now aware that this practice has changed and accordingly intends to increase rates that it has in place for terminating MNO A2P traffic.

⁹ para 246 of the Authority’s Competition Guidelines, published 18 February 2010



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The Authority will consider whether each of these points constitutes an objective justification for differential treatment of Etisalcom below. The Authority discusses the relevance of Zain and Etisalcom's existing commercial agreement under section 4 of this Decision.

4.1 Whether Etisalcom must provide a reciprocal service to Zain

Zain's view is that Etisalcom's A2P messages do not fall within the definition of SMS messages under Zain's RIO because Etisalcom does not receive messages sent from mobiles of Zain's end-users to Etisalcom's customers. In other words, Zain considers that Etisalcom's bulk messaging services preclude it from providing a reciprocal SMS termination service, which Zain considers is necessary for Etisalcom to be eligible to receive Zain's SMS Termination Service at the regulated rate.

Zain bases its view on the definition of SMS Message provided in Zain's RIO:

"SMS Message means of sending messages of limited size to and from GSM/UMTS/EPS mobiles. As defined in the latest 3GPP TS 23.040 V12.1.0 (2013-09)"

Zain notes that "SMS Message" is included in the SMS Termination Service Description set out in Schedule 2.2 "Termination Services" of Zain's RIO, which states, at clause 3.1:

The SMS Termination Service is a Service for the carriage of a SMS Message from an agreed POI to a Subscriber of Zain Bahrain and where a reciprocal service is available the conveyance of the same service from the POI to the OLO's Subscriber.

The Authority has considered Zain's argument and, based on its reading of the service description, does not agree that it requires Etisalcom to provide Zain with a reciprocal service. This conclusion is supported by the inclusion of the word "where" in the phrase "and where a reciprocal service is available" in the above definition.¹⁰ In the Authority's view, this phrase makes

¹⁰ Emphasis added.



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it clear that a reciprocal service is not mandatory, rather that, where it is available, it will also enable the carriage of SMS from an agreed POI to a subscriber.

The Authority considers that the definition of "SMS Message" in Zain's RIO is merely descriptive of SMS message technology in a general sense - it is not intended to narrow the scope of the Service Description. The basis for this is the Authority's interpretation of the word "means" in the definition of SMS Message. Due to the inclusion of the word "of" after "means" it is clear that the definition is describing what SMS Message technology enables, rather than stating exhaustively what it must do. In other words, the definition states that SMS Messages can be used to send message to or from mobiles, not that SMS messages can only be sending messages to and from mobiles. Given the inclusion of the word "of", the Authority does not agree with Zain's view that it mandates a reciprocal service.

This interpretation is supported by the wording of Clause 3.4(i)(c) of the SMS Termination Service which states that "*Zain Bahrain is not obliged to supply the SMS Termination Service to an OLO until...(c) The OLO can provide Zain Bahrain a reciprocal SMS Termination Service if the OLO operates a Network that provides mobile services.*"¹¹

In the Authority's view, the inclusion of the phrase "*if the OLO operates a Network that provides mobile services*" means that if the OLO does not operate a mobile service network, then it does not need to provide a reciprocal service. However, Etisalcom is a fixed licensed operator and does not operate a mobile network. The Authority is satisfied that Etisalcom is not obliged to provide a reciprocal SMS termination service to be eligible for Zain's SMS Termination Service.

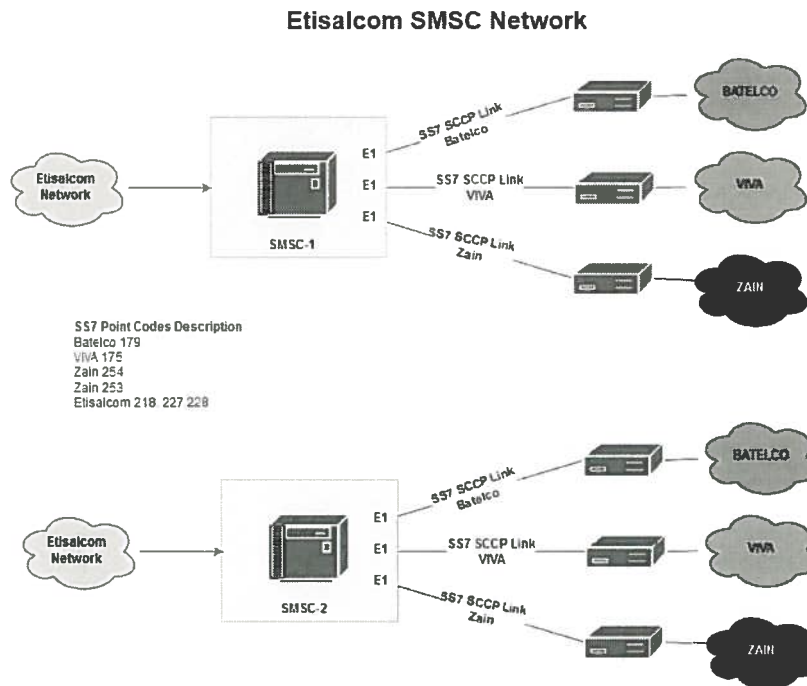
¹¹ Emphasis added



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4.2 Whether a particular interconnection is required for the regulated Termination rate

Etisalcom provided the Authority with the following diagram of its interconnection links with MNOs:



Etisalcom submits that the fact that it has SS7 E1 links with Zain supports its position that it is entitled to the regulated rate for the SMS Termination Service. Zain considers that the type of interconnection is irrelevant to the termination charge. Zain says that it has connectivity with other bulk SMS service providers using either SS7 or SMPP connectivity. It considers that the fact that Zain made a commercial decision to invest in SS7 interconnection is not relevant to whether it is entitled to the SMS Termination Service.



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The Authority acknowledges that it is possible to use different interconnection arrangements to supply a bulk SMS service. The Authority notes that Zain argues that simply because a provider has specific interconnection links in place does not mean that it is entitled to the regulated rate for a service. However, the Authority notes that Zain's argument that the type of interconnectivity is irrelevant to whether a Licensed Operator is eligible for the SMS Termination Service and therefore the regulated rate is inconsistent with its own Service Description. For example, clause 3.2(i) "Availability of Service" provides that:

"The SMS Termination Service is available to a Public Telecommunications Operator having one or more E1 Paths with Zain Bahrain as described in Schedule 2.1 of this RIO."

Schedule 2.1 defines the "Interconnection Links Services" that Zain provides; specifically, the Customer-sited Interconnection (CSI) Link Service, which is comprised of, among others, "One or more E1 Paths between the Zain POI and the OLO POI".

Clause 3.4 "Supply of Service" of the Service Description provides, at clause 3.4(i)(a), that Zain is not obliged to supply the SMS Termination Service to an OLO until "An Interconnection Link Service is established and operational".

While the Authority considers this line of argumentation brought forward by Zain as being rather a moot point, the Authority nevertheless recognises that both Zain and Etisalcom have advised that Etisalcom have in place CSI Links with Zain and that as such Etisalcom's physical interconnection with Zain is consistent with Zain's very own Service Description.

4.3 Whether SMS aggregators are ineligible for the SMS Termination Service

Zain has advised that it has allowed VIVA and Batelco A2P traffic to terminate at the regulated SMS Termination rate on the basis that VIVA and Batelco have not been aggregating or reselling A2P messages. However, Zain has advised that it is now aware that this practice has changed



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and therefore intends discontinue the regulated SMS Termination rate for A2P messages from Batelco and VIVA.

The Authority understands that SMS aggregation services typically do not involve two way SMS communication. The Authority also appreciates that Zain's SMS Termination Service includes requirements for a reciprocal service to be made available when the access seeker is a mobile network operator.

However, for reasons set out above, the Authority also considers that Zain's Service Description does not require a reciprocal service from non-MNO licence holder operators such as Etisalcom. The Authority also considers that the Service Description does not prevent such an operator from using the SMS termination service for SMS aggregation or bulk messaging purposes.

5. Whether Zain negotiated its commercial SMS agreement in good faith

Article 57(a) of the Law imposes an obligation on operators to negotiate interconnection in good faith and in accordance with the rights and obligations set out in their licences and regulations.

Etisalcom and Zain agreed commercial rates for SMS termination on 24 July 2013. Etisalcom has advised:

"Before all three mobile operators came out the Reference offers, Etisalcom had separate SMS termination agreements with the MNOs. However, once the RIOs of all MNOs became effective, it was clear to Etisalcom that SMS termination rate must be in line with what is mentioned in the reference offers and that the agreement previously signed is superseded by the reference offers"

Etisalcom then approached the Authority for confirmation of its view. In a letter dated 4 May 2015, the Authority advised:

"In addition the Authority has also imposed the remedy of non-discrimination by virtue of which MNOs are required to charge equivalent SMS termination tariffs to any operators seeking to interconnect with its network..."



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You are therefore encouraged to approach the MNOs individually and ensure that the termination rate being charged is indeed the regulated rate."

In response, one of the MNOs (VIVA) applied a credit note effective from the date that its Reference offer came into effect (1 October 2014). Zain, as a Dominant Operator in the wholesale market for termination services, is obliged to offer and interconnect the SMS Termination Service on the terms set out in its RIO when requested to do so by a Licensed Operator.

For the reasons set out above, the Authority considers that Etisalcom, as a Licensed Operator, is entitled to the SMS Termination Service upon request. While Etisalcom had a commercial agreement in place with Zain from 24 July 2013, Zain's RIO came into effect on 2 October 2014. The RIO terms should have replaced the commercial terms from 2 October 2014.

The Authority recognises that SMS Termination as a service is to ensure that local operators can interconnect and terminate their individual subscribers messages (P2P) on MNOs at the set regulated rates. However, Etisalcom occupies a unique position in the market, in that it is a fixed network operator that requires SMS termination services. As a Licensed Operator, Etisalcom is entitled, under Article 57(c) of the Law, to receive regulated services on the terms and conditions set out in a Dominant Operator's RIO.

The Authority considers that the fact that Etisalcom is a Licensed Operator would have been abundantly clear to Zain at the time Etisalcom approached it about the supply of the termination services. Zain has also confirmed that it has extended the regulated rate for termination of A2P SMS from Batelco and VIVA. The Authority is satisfied that Zain is obliged, pursuant to its non-discrimination obligations and the 2010 Determination, to extend the same treatment to Etisalcom.

Decision

For the reasons set out above, the Authority considers that, Zain was and is obliged under Article 57(c) of the Law to offer Etisalcom the SMS Termination Service at the regulated rate of 0.443 fils/SMS effective as of 2 October 2014, which is the date that Zain's RIO came into effect. In the circumstances, the Authority considers that Zain should provide Etisalcom with a




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credit note dated from the date that Zain's RIO came into effect. According to Authority records, this is 2 October 2014.

The Authority notes Zain's advice that it intends to increase rates that it has in place for terminating MNO A2P traffic. As this issue is not the subject of this complaint, the Authority does not consider it necessary to form a view, at this time, on whether such differentiation is consistent with Batelco's non-discrimination obligations, including under Article 58(b) of the Law.

For the sake of clarity, the Authority notes that this decision does not mean that similar price terms must be extended to other bulk messaging service providers. As a point of reference, the Authority's decision on the Regulation of Wholesale International Inbound Call Services and Review of Call Termination Rates issued on 17 September 2015 (Ref: MCD/09/15/067) allows for Zain, Batelco and VIVA to price differentiate with regards to the call termination rates applicable to internationally originating call traffic.¹²

Yours faithfully,



Mohammed Bubashait
General Director

¹² Reference Offer Orders on Bahrain Telecommunications Company B.S.C., Viva Bahrain B.S.C, and Zain Bahrain B.S.C. setting the regulated call termination rates; Regulation of Wholesale International Inbound Call Services and Review of Call Termination Rates published 17 September 2015