

THE TELECOMMUNICATIONS (ACCOUNTING SEPARATION)  
REGULATIONS, 2015

Arrangement of Regulations

*Regulation*

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LEGAL NOTICE NO. 64

REPUBLIC OF TRINIDAD AND TOBAGO

THE TELECOMMUNICATIONS ACT, CHAP. 47:31

REGULATIONS

MADE BY THE MINISTER UNDER SECTION 78(1) OF THE TELECOMMUNICATIONS  
ACT AND SUBJECT TO NEGATIVE RESOLUTION OF PARLIAMENT

THE TELECOMMUNICATIONS (ACCOUNTING SEPARATION)  
REGULATIONS, 2015

PART I

PRELIMINARY

1. These Regulations may be cited as the Telecommunications Citation  
(Accounting Separation) Regulations, 2015.

2. In these Regulations—

Interpretation

“concessionaire” means a person or an entity authorized to  
operate a public telecommunications network or provide a  
public telecommunications service or broadcasting service  
under section 21 of the Act;

“separated accounts” means accounts submitted in the manner  
and form required by these Regulations;

“Separated Accounts Templates” means the detailed templates  
for the preparation of separated accounts as set out in the  
Schedule;

“Service” means the provision of a telecommunications service  
or broadcasting service as provided for in section 21(1) of the  
Telecommunications Act (the Act) in addition to any other  
service not under the purview of the Act.

PART II

ACCOUNTING SEPARATION

3. A concessionaire who provides two or more services shall <sup>Requirement</sup>  
prepare, maintain and submit to the Authority within three (3) months of <sup>for</sup>  
the end of the concessionaire’s financial year its accounts, in accordance <sup>Accounting</sup>  
with the applicable Separated Accounts Templates set out in the <sup>Separation</sup>  
Schedule.

- Amendment of Schedule
4. (1) The Minister, may by Order, amend the Schedule on the recommendation of the Authority.
- (2) The Authority shall, in recommending amendments to the Schedule under subregulation (1), have regard to the following:
- (a) separated accounts shall be based on a transparent cost allocation method;
  - (b) transparent cost allocation method shall be based on the principle of cost causality;
  - (c) allocations shall not be intended to bring, or have the effect of bringing, advantage to the concessionaire at the expense of its competitors;
  - (d) separated accounts shall be prepared in accordance with generally accepted accounting conventions;
  - (e) allocation methodology shall be applied consistently between accounting periods or, where a change in the method of application can be objectively justified, the change must be noted and comparative data provided between the original and revised bases of allocation; and
  - (f) separated accounts shall be subject to independent annual audit in accordance with generally accepted accounting practices at the concessionaire's cost, and to standards required by any written law.
- Preparation of separated accounts
5. A concessionaire shall ensure that separated accounts are—
- (a) prepared in the format set out in the applicable separated accounts templates as specified in the Schedule;
  - (b) consistent with accounting separation guidelines as may be published from time to time by the Authority on its website;
  - (c) consistent with generally accepted accounting practice; and
  - (d) audited annually.
- Submission of separated accounts
6. A concessionaire required to separate its accounts under regulation 3 shall—
- (a) within twenty-eight days of the coming into force of these Regulations, advise the Authority in writing of its financial year end date, and of all services currently provided;
  - (b) immediately upon the coming into force of these Regulations, submit its separated accounts to the Authority within three months of the request being made or within nine months of the end of the concessionaire's financial year, whichever is later; and
  - (c) thereafter, submit its separated accounts to the Authority annually within three months of the end of its financial year.

7. (1) The Authority shall, within forty-two days of receiving Notification separated accounts from a concessionaire, notify the concessionaire in where accounts do writing of all aspects in which the accounts fail to conform to the not comply requirement for separated accounts. with requirements

(2) Where a concessionaire is notified under subregulation (1), the concessionaire shall rectify those defects within twenty-eight days of receiving notice from the Authority.

8. Where the Authority is satisfied that a concessionaire has Authority to complied with all the requirements in relation to the concessionaire's notify concessionaire separated accounts, the Authority shall in writing, inform the of compliance concessionaire of its findings.

### PART III

#### GENERAL REGULATIONS

9. The Authority may from time to time, for the purpose of Publication clarification, publish in the *Gazette* and in at least one daily newspaper circulating in Trinidad and Tobago, guidelines in relation to any standard arrangements under these Regulations.

10. (1) The Authority may issue written directions to any Issuance of concessionaire for the purpose of compelling compliance with these guidelines and Regulations. directions

(2) A concessionaire shall comply within twenty-eight days of receiving any directions given by the Authority under subregulation (1).

11. (1) Where a concessionaire is required to comply with these Extension of Regulations within a specified period, the Authority may, where it sees time frames fit, extend such period upon the written request of the concessionaire.

(2) Where the Authority decides to extend a specified period under subregulation (1), the Authority shall notify the concessionaire in writing.

12. A concessionaire who fails to comply with any of the provisions of General these Regulations commits an offence under section 71 of the Act and is penalty liable to such penalties prescribed therein.

## SCHEDULE

(Regulation 3)

## SEPARATED ACCOUNTS TEMPLATES

## Template 1

## STATEMENT OF COMPREHENSION INCOME—CORE NETWORK BUSINESS

## STATEMENT OF COMPREHENSIVE INCOME

		<i>Current Period</i>	<i>Prior Period</i>
Turnover:			
	From Retail	X	X
	Other Operators	<u>X</u>	<u>X</u>
	<i>Total Turnover</i>	<u>X</u>	<u>X</u>
Operating Costs		X	X
of which			
	Depreciation	X	X
	Personnel Costs	X	X
	Wages and Salaries		
	Subsistence and Travelling	X	X
	Overtime	X	X
CCA Adjustments <sup>1</sup>		X	X
Total Operating Costs		<u>X</u>	<u>X</u>
Return <sup>2</sup>		<u>X</u>	<u>X</u>
Return on Capital Employed			
Return		X	X
Mean Capital Employed		X	X
Return on Mean Capital Employed		X%	X%

<sup>1</sup>Current Cost Accounting (CCA) Adjustment—The change to historical cost arising from the revaluation of assets on a current cost basis. In the statements for individual business areas adjustments comprise the unrealized holding gains or losses arising from changes in assets value, together with the effect on asset values and depreciation of the appropriate allocation of modern equivalent assets between businesses.

<sup>2</sup>The calculations of the return should be consistent with the basis on which the cost of capital is calculated.

Template 2

STATEMENT OF FINANCIAL POSITION—CORE NETWORK BUSINESS<sup>3</sup>

STATEMENT OF FINANCIAL POSITION AS AT

	<i>Current</i>	<i>Prior</i>
	<i>As at</i>	<i>As at</i>
Fixed Assets		
Tangible Fixed Assets	X	X
Intangible Fixed Assets	X	X
Investments	X	X
	<hr/>	<hr/>
Total Fixed Assets	X	X
	<hr/>	<hr/>
Working Capital		
Inventory	X	X
Trade Receivables	X	X
Other Assets	X	X
Cash on hand and Bank Deposits	X	X
	<hr/>	<hr/>
Total Working Capital	X	X
	<hr/>	<hr/>
Liabilities		
Trade Payables	X	X
Fund for Liabilities and Charges	X	X
Other Liabilities	X	X
	<hr/>	<hr/>
Total Liabilities	X	X
	<hr/>	<hr/>
Total Capital Employed	X	X
	<hr/>	<hr/>
Yield on Capital Employed	X	X
	<hr/>	<hr/>

<sup>3</sup>All entries in the “balance sheet” should be average values for the year to which they relate. Where possible and material, the average values should be weighted averages. If information is not available, a simple average of opening and closing balances may initially be used.

## Template 3

## STATEMENT OF COMPREHENSIVE INCOME—LOCAL ACCESS NETWORK BUSINESS

## STATEMENT OF COMPREHENSIVE INCOME

	<i>Current Period</i>	<i>Prior Period</i>
Turnover:		
Transfer charges to Retail	X	X
From other operators (if any)	X	X
<i>Total Turnover</i>	<u>X</u>	<u>X</u>
Operating Costs	X	X
of which		
Depreciation	X	X
Personnel Costs	X	X
Wages and Salaries		
Subsistence and Travelling	X	X
Overtime		
CCA Adjustments	X	X
Total Operating Costs	X	X
Return (excluding ADCs <sup>4</sup> , if any)	<u>X</u>	<u>X</u>
ADCs (if any)		
From OLOs	<u>X</u>	<u>X</u>
From Retail	<u>X</u>	<u>X</u>
Total ADCs	<u>X</u>	<u>X</u>
Return (including ADCs, if any)	<u>X</u>	<u>X</u>

## RETURN ON CAPITAL EMPLOYED

As for Core Network

## STATEMENT OF FINANCIAL POSITION

As for Core Network

<sup>4</sup> Access deficit Contributions (ADCs)—Contributions payable by other licensed operators (OLO) and the Retail Business to the Access Business for losses it sustain on the provision of services on the access network.

Template 4

STATEMENT OF COMPREHENSION INCOME—RETAIL FIXED BUSINESS

STATEMENT OF COMPREHENSIVE INCOME

	<i>Prior Period</i>	<i>Current Period</i>
Turnover		
Connection Charges	X	X
Installation Charges	X	X
Other Connection Charges	X	X
Subscription Charges		
Residential	X	X
Single Line Business	X	X
Other Business (non-single Line)	X	X
Call Master Services Charges	X	X
Other Subscription Charges	X	X
On-Net Toll Charges		
Intra-Exchange Toll Charges	X	X
Inter-Exchange Toll Charges	X	X
Off-Net Toll Charges		
Outgoing Toll (Mobile)	X	X
Incoming Toll (Mobile)	X	X
(Outpayments)	X	X
International		
Incoming Toll	X	X
Outgoing Toll	X	X
(Outpayments)	X	X
Other International Charges	X	X
Domestic Calling Cards	X	X
International Calling Card	X	X
Paystations	X	X
Local 800	X	X
Centrex	X	X
Operator and Director Assistance Charges	X	X
Other Turnover	X	X
	<u>X</u>	<u>X</u>
Operating Costs:		
Operating Costs specific to Fixed Retail	X	X



STATEMENT OF COMPREHENSIVE INCOME—*CONTINUED*

	<i>Prior Period</i>	<i>Current Period</i>
Transfer Charges from Fixed Core Network	X	X
Transfer Charges from Fixed Access Network	X	X
ADCs paid to Access Network (if any)	X	X
Depreciation	X	X
Personnel Costs		
Wages and Salaries	X	X
Subsistence and Travelling	X	X
Overtime	X	X
Other Costs	X	X
CCA Adjustments	X	X
<i>Total Operating Costs</i>	<u>X</u>	<u>X</u>
Return (excluding Universal Service Contribution, if any)	X	X
Universal Service Obligation Contributions from OLO		
Return (including USO Contribution, if any)	<u>X</u>	<u>X</u>
RETURN ON CAPITAL EMPLOYED		
As for Core Network		
STATEMENT OF FINANCIAL POSITION		
As for Core Network		

Template 5

STATEMENT OF COMPREHENSIVE INCOME—DATA SERVICES

STATEMENT OF COMPREHENSIVE INCOME

	<i>Current Period</i>	<i>Prior Period</i>
Turnover	X	X
Dial-up Internet	X	X
xDSL Subscription	X	X
xDSL Connection	X	X
Lease lines	X	X
Other Data Services	<u>X</u>	<u>X</u>
<i>Total Turnover</i>	<u>X</u>	<u>X</u>
Operating Costs		
Operating costs specific to Data Service	X	X
Transfer charges from Core Network	X	X
Transfer charge from Local Access Network	X	X
Depreciation	X	X
Personnel Costs	X	X
Wages and Salaries	X	X
Subsistence and Travelling	X	X
Overtime	X	X
ADCs paid to Local Access Network (if any)	X	X
CCA Adjustments	X	X
Total Operating Costs	<u>X</u>	<u>X</u>
Return (excluding USO Contribution, if any)	X	X
USO Contribution from OLO	X	X
Return (including USO Contribution, if any)	<u>X</u>	<u>X</u>

**RETURN ON CAPITAL EMPLOYED**

As for Core Network

STATEMENT OF FINANCIAL POSITION

As for Core Network

## Template 6

## STATEMENT OF COMPREHENSIVE INCOME—RETAIL MOBILE BUSINESS

## STATEMENT OF COMPREHENSIVE INCOME

	<i>Current Period</i>	<i>Prior Period</i>
Turnover		
Handsets Charges	X	X
Activation Charge	X	X
On-Net Charges	X	X
Off-Net Charges		
Outgoing (Fixed)	X	X
Incoming (Fixed)	X	X
(Outpayments)	X	X
Outgoing (Mobile)	X	X
Incoming (Mobile)	X	X
(Outpayments)	X	X
International		
Incoming	X	X
Outgoing	X	X
(Outpayments)	X	X
Roaming		
Inbound		
Incoming	X	X
Outgoing	X	X
Outbound	X	X
SMS		
On-Net	X	X
Off-Net	X	X
(Outpayment)	X	X
MMS		
On-Net	X	X
Off-Net	X	X
(Outpayment)	X	X
Data Services charges	X	X
Subscription	X	X
Other Turnover	X	X
	<u>X</u>	<u>X</u>
<i>Total Turnover</i>	<u>X</u>	<u>X</u>

STATEMENT OF COMPREHENSIVE INCOME—CONTINUED

Operating Costs:		
Operating Costs specific to Retail	X	X
Operating Costs specific to Network	X	X
Depreciation	X	X
Personnel Costs		
Wages and Salaries	X	X
Subsistence and Travelling	X	X
Overtime	X	X
Other Costs	X	X
CCA Adjustments	X	X
Total Operating Costs	<u>X</u>	<u>X</u>
Return (excluding Universal Service Contribution, if any)	X	X
Universal Service Obligation Contributions from OLO	X	X
Return (including USO Contribution, if any)	X	X

Dated this 5th day of May, 2015.

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*Minister of Science and Technology*