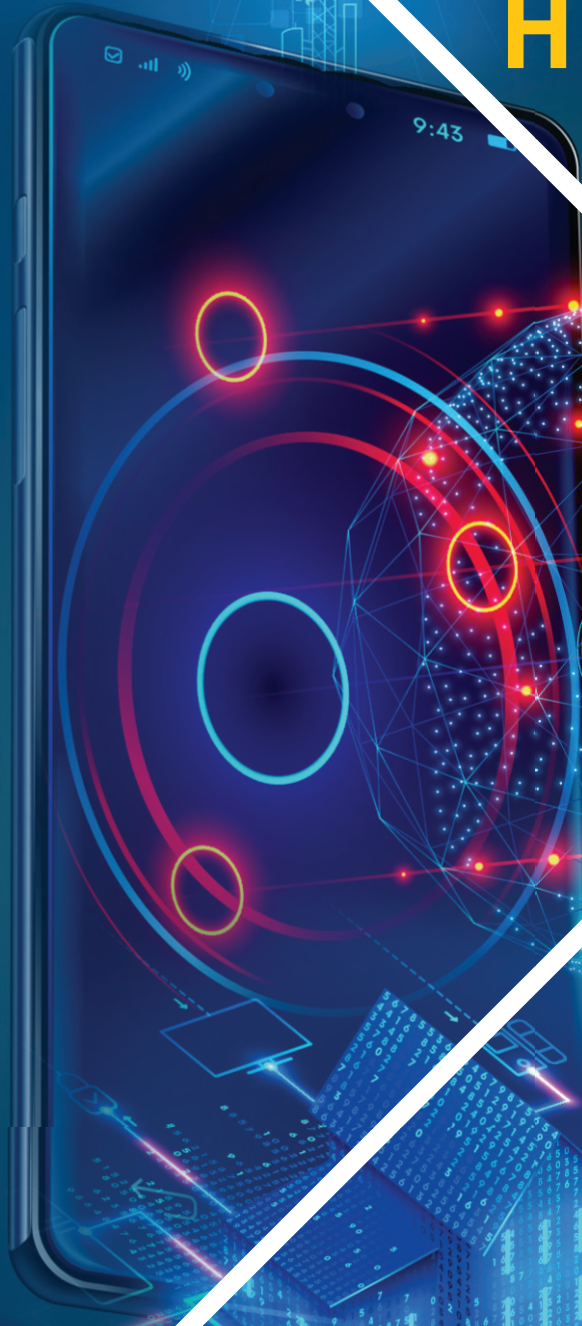




15th EXPANDING YOUR HORIZONS
2004-2019

EXPANDING YOUR HORIZONS > >



ANNUAL REPORT 2019



The Telecommunications Authority of Trinidad and Tobago (TATT) celebrated its 15th Anniversary in 2019. The theme 'Expanding Your Horizons' was selected as it focused on the endless opportunities created by the development and implementation of emerging technologies such as robotics and artificial intelligence, the Internet of Things (IoT), autonomous vehicles, smart cities, etc.

Expanding Your Horizons reflected TATT's commitment to the future and to promoting technological advancement and the growth of the digital economy as well as expanding consumers' horizons with the power of choice, new technologies.



VISION > >

Global exemplar, empowering people through ICT sector development

MISSION > >

Fostering a competitive ICT environment using competent, fair, transparent, forward-thinking and responsive approaches for the benefit of all

CORE VALUES > >

Commitment

- We are loyal to the organisation.
- We are ambassadors of the organisation.
- We are dedicated to the interests of the organisation

Integrity

- We are honest, objective and fair in all matters.
- We are accountable for our actions.
- We respect the value and confidentiality of our customers' information.

Innovativeness

- We are data driven and open to new ideas.
- We seek creative solutions to meet the challenges of our work.
- We effectively implement innovative ideas.
- We utilise a proactive approach to our changing environment.

Professionalism

- We respect and value the contributions of all persons.
- We are committed to achieving excellence.
- We recognise the importance of teamwork.
- We are productive, efficient and timely in our work.
- We continually seek to acquire expert knowledge.

Service Excellence

- We promote and protect the interests of our consumers.
- We recognise the different interests of our customers and are responsive to their needs.
- We effectively engage all our stakeholders.



CORPORATE INFORMATION > >

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Tel: (868) 639-8288

Bankers
First Citizens Bank Limited
23-27 Eastern Main Road, San Juan

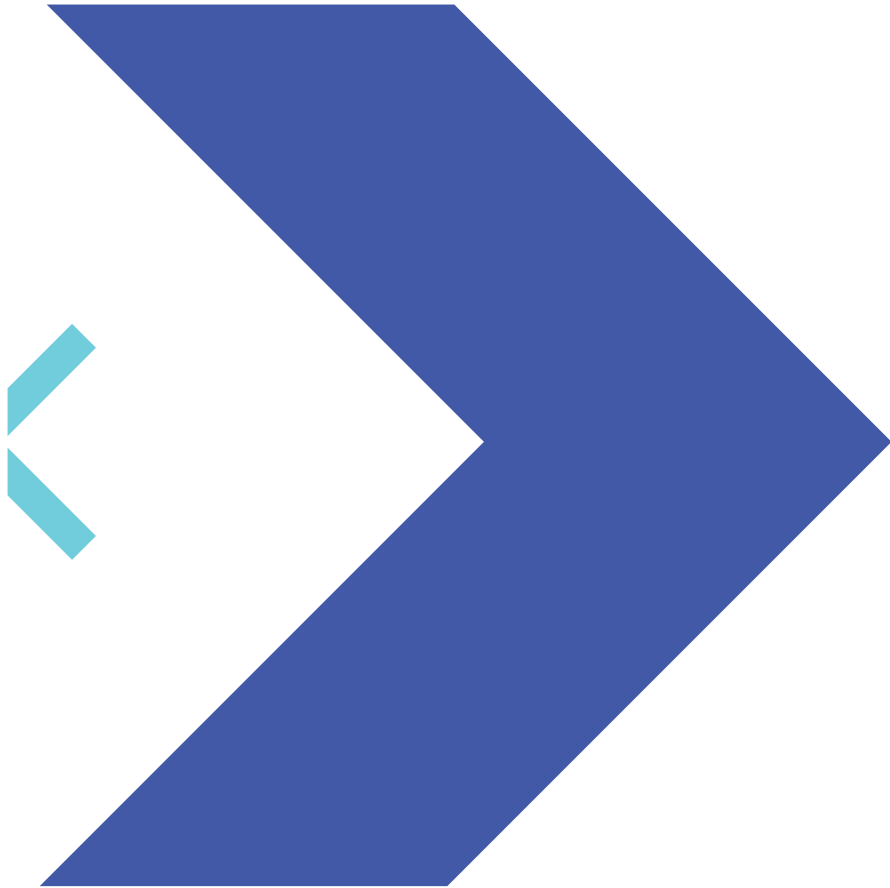


TABLE OF CONTENTS



Message from the Chairman	6
Chief Executive Officer's Report	9
Board of Directors	12
Governance Structure	14
Management Team	15
15th Anniversary Activities	16
Overview of the Telecommunications and Broadcasting Sectors	25
Financial Performance	42
Financial Report	43



MESSAGE
FROM THE
CHAIRMAN > >



Gilbert Peterson, S.C.
Chairman of the Board of Directors

It is my privilege and pleasure to present to you the Annual Report of the Telecommunications Authority of Trinidad and Tobago (the Authority) for the financial year ended September 30, 2019, the year in which we reflect on our achievements and chart a new course for 2020 and beyond.

After 15 years of regulation of the telecommunications and broadcasting sectors, the Authority can be proud of what has been achieved – a competitive, balanced and diversified industry, based on emerging technologies which support sustainable development and improve the quality of life of all who live and work in Trinidad and Tobago.

Being at the Forefront

The telecommunications and broadcasting sectors are important engines for Trinidad and Tobago's economic growth. In fact, these sectors generated an estimated TT\$5.64 billion in 2018 – an increase of 7.8% over the previous year. This equates to approximately 3.7% of Trinidad and Tobago's gross domestic product (GDP).

The global economy recognises that an efficient and forward-looking telecommunications and broadcasting industry, with first-class infrastructure, providing leading-edge services that are responsive to the needs of consumers and businesses, is vital for supporting economic growth.

Since liberalisation commenced in 2004, the Authority has been at the forefront of the telecommunications and broadcasting market reform, recognising that it is essential that Trinidad and Tobago develop its industry in order to remain competitive in this increasingly global market.

The Authority is confidently moving ahead towards realising its vision to make Trinidad and Tobago a global leader in information and communications technology (ICT). To this end, in 2019, we continue to take steps to ensure that legislative, policy and regulatory frameworks reflect this new reality.

Heading in a New Direction

As we transition into a new strategic direction for

2019-2022, our goals for the coming year are clear. The Authority intends to focus on a more transformative agenda that will help achieve its vision of being recognised as a leading ICT regulator which enables an empowered and connected society.

The Authority must, therefore, begin the conversation with our stakeholders on emerging technologies and the issues that need to be addressed in their adoption. We must ensure compliance with global standards, particularly to support entrepreneurship and investment in our digital economy. Most of all, we need to uphold our sovereignty, being clear on where we stand on issues of ethics and neutrality.

By aligning its key activities to the four strategic imperatives identified in the 2019-2022 Strategic Plan, viz. Stakeholder Relationship Management, Sustainability of Industry, Universal Service, Connectivity and Digital Inclusion, and Organisational Effectiveness, the Authority is confident its future goals will be realised.

Stakeholder Relationship Management will foster more efficient collaboration and information dissemination by creating a robust platform to manage stakeholder interaction with the Authority.

Sustainability of Industry will focus on creating an environment that will lead to a more profitable industry, by enabling innovation, fair competition, transparent compliance and enforcement mechanisms, ensuring at all times that the Authority has the financial capacity to successfully deliver on its mandate.

Universal Service, Connectivity and Digital Inclusion will ensure the attainment of high-quality and affordable universal connectivity, which will improve our standard of living through the availability of and access to services and rich content.

Organisational Effectiveness (people, processes, systems, facilities) allows for the strengthening of internal processes and aligned systems through employees who are competent and engaged.

Appreciation

The Authority's accomplishments over the past year would not have been possible without the constant support of the Ministry of Public Administration, our line Ministry.

I wish to thank my fellow Board members, the staff of the Authority and all our stakeholders for their

spirit of dedication and enthusiasm and am now more optimistic that we will continue to maintain a competition-led market for the provision of innovative communications services, available to all, which encourages sustainable, economically efficient investment; respects the interest of consumers; and supports the social and commercial welfare of Trinidad and Tobago.

The Authority will continue to adopt a strategy based on a clear vision for the sectors by creating a regulatory environment for competitive markets, encouraging creativity and innovation, protecting the rights of consumers, providing high-quality services and products, enhancing the capacity of the sectors locally, regionally and internationally, attracting investments and reinforcing the use of ICT resources to reduce the digital divide and attain a knowledge-based society.

Final Thoughts

All through its illustrious journey, the Authority's efforts have been co-ordinated towards improving the lives of our citizens, encouraging and promoting investment in the industry and placing Trinidad and Tobago amongst the leaders of the world in telecommunications and broadcasting.

The Authority remains steadfast in its commitment to transforming the telecommunications and broadcasting sectors, constantly breaking new ground and creating new avenues of opportunity, progress and prosperity for all our citizens.



Gilbert Peterson, S.C.
Chairman of the Board of Directors

CHIEF EXECUTIVE
OFFICER'S
REPORT > >



Cynthia Reddock-Downes
Chief Executive Officer
(Ag.)

It is perhaps my strong background in accounting or my innate drive for excellence which landed me the reputation of being a stickler for checks and balances, accountability and transparency. In light of challenging economic times, this trait assists in ensuring the Authority's financial sustainability. It is my privilege to be allowed to account for this year's performance of the Authority and furthermore, to do so on our 15th Anniversary and as we celebrate this milestone accomplishment in 2019.

From the onset of liberalisation, the Authority was given the mandate of meeting the competing needs of various stakeholders, including operators, consumers and the market as a whole. This presented both an opportunity and a steep learning curve for us. We have managed to frame regulation in a manner that is accountable and transparent and securely governed by our legal and regulatory framework. This framework is the backbone of the Authority's raison d'être and, consequently, over this past financial year 2018 – 2019, we have focused on its modernisation, by submitting amendments to several pieces of legislation including our parent Act, the Telecommunications Act, Chap 47:31 (the Act), which is currently before the Legislative Review Committee of the Ministry of the Attorney General and Legal Affairs. These amendments will allow the Authority to meet some of the evolving needs of the sector.

It is my honour to reflect on the accomplishments that, guided by our statutory mandate and following in the pursuit of international best practice, we have achieved over the past year. Faced with a rapidly evolving ICT landscape, we have employed modern and proportionate regulatory decision-making at the local level whilst also improving our presence and position on critical issues at the regional and international levels.

Through a cursory review, we can account for our service under categories, as follows:

1. Promoting competition and market development

Fifteen years ago, telecommunications markets were viewed as separate and distinct in both the

commercial and the technological sense. Now, markets are characterised by convergence, which enables one or different networks to have the ability to provide different services. Throughout this evolution, the Authority has continued to collect the relevant data to monitor market trends and examine operator behaviour and pricing. Thus, as customary, in 2018 we published our Annual Market Report: Telecommunications and Broadcasting Sectors, which acts as a key information source for deeper decision making for ourselves and our stakeholders.

The mobile market continues to be a crucial one, which has seen significant and exponential growth. Over the past 15 years, there has been a shift in wireless and mobile technologies from 2G (i.e., GSM/GPRS/EDGE), 3G (e.g., UMTS) and 3.5G (e.g., HSPA) to 4G (LTE, LTE-Advanced) and a move from analogue via digital to IP, WLAN (i.e., WiFi), and fixed and mobile WiMAX. This has resulted in the proliferation of new services and speeds, aimed at meeting the evolving and growing content and browsing needs of consumers.

However, faced with two operators in the mobile market, effective competition and consumer interests are always on the Authority's radar. So far, the Authority has set guidelines to prevent anti-competitive practices and undertaken measures to ensure consumers are well-informed and empowered and given easier access and choice through, for example, number portability. In this past financial year, we conducted a study to define the domestic mobile voice market. It is the Authority's responsibility to assess markets for dominance, in accordance with its legal mandate to do so, and the determination of the relevant boundaries of markets is the initial step in that process.

2. Encouraging investment, building-out of facilities and infrastructure

Over the past year, we have worked on the establishment of standards to promote the robustness of the national telecommunications infrastructure, including the development of technical standards for public fixed telecommunications infrastructure. We have completed two rounds of public consultation on the document and are seeking to finalise at this time. The Authority has also undertaken an assessment to review the technical feasibility of the coverage requirement set for free-to-air (FTA) radio broadcasting services. This serves as a prerequisite towards ensuring that radio broadcasters meet their coverage obligations. In our pursuit of international best practice, we have also spearheaded stakeholder

engagement on the International Telecommunication Union (ITU) World Radio Conference, 2019 and submitted recommendations in conjunction with regional nations concerning the use and allocation of spectrum, for consideration at this forum.

3. Ensuring efficient use and effective allocation of scarce resources

One of the basic economic problems is “scarcity”, as unlimited wants compete for limited resources. Spectrum and numbering are scarce resources in the telecommunications and broadcasting landscape and, over the years, the Authority has effectively developed the regulatory tools which were needed to successfully manage these resources. For example, in consultation with the industry, we have drafted spectrum management policies and Telecommunications (Spectrum Management) Regulations, Spectrum Plans and the Frequency Allocation Table, authorisation frameworks, a National Numbering Plan, and Telecommunications (Numbering) Regulations, to name a few.

This past year, in particular, we offered more mobile spectrum in the 1.7/2.1 GHz band to the existing cellular mobile providers, for which one mobile provider applied. We also offered broadband wireless access (BWA) spectrum in the 2.5GHz band via a competitive tender process.

4. Promoting and protecting the interests of consumers and ensuring ubiquitous access

One highlight of this year’s initiatives has been our social media campaign, “You Don’t Know What You Don’t Know” or “YDKWDK”. This campaign was birthed under the observation (from survey findings and market insights) that consumers are not fully aware of the prices and terms and conditions of their solicited services as well as those of other operators. The Authority, therefore, saw it apt to bridge this information gap with the understanding that when consumers have full information, they can send the right, rational market signals, which will spur a competitive response from operators.

This is a modern and market-facilitative approach to encouraging effective competition. It was also

evident that the communication strategy of the Authority needed to adapt to meet the needs of the digital, content-consuming population, via relatable anecdotes in shareable digital formats.

Through the campaign, we have witnessed increased consumer awareness and engagement with the Authority. We have also published comparative prices so that better-informed consumers can make effective comparisons for more rational decision-making.

Moving ahead

To date, we have been efficiently managing spectrum and number resources, establishing equipment and service quality standards, increasing access to broadband, facilitating innovation using ICTs, and bridging the digital divide through infrastructural development projects, including the establishment of an Internet exchange point (IXP).

However, as we go forward, we are very aware that this era of rapid innovation brings, not only a host of new opportunities for services but also technological and regulatory complexities to consider and hurdles to overcome. Thus, the Authority must continue to develop the sector with wisdom and prudence and join the international dialogues on contemporary issues such as digital financial services, 5G technology solutions, machine-to-machine roaming, big data, etc. Already the Authority has braved the modern, often thorny, regulatory issues of over-the-top services (OTTs), intellectual property and android boxes, net neutrality and international mobile roaming (IMR), all in consultation with our stakeholders, as we strive to develop the telecommunications markets in Trinidad and Tobago on a collaborative basis.

The Authority, therefore, stands optimistic and forward-thinking and, based on the strengths we have garnered over the years, in collaboration with the industry, we are eager to conscientiously execute our regulatory mandate towards the continued success of the telecommunications and broadcasting sectors of Trinidad and Tobago.



Cynthia Reddock-Downes
Chief Executive Officer
(Ag.)

BOARD OF
DIRECTORS > >



Gilbert Peterson, S.C.
Chairman

Dr. Kim Mallalieu
Deputy Chairman

Nikolaiski Ali

Deoraj Seegobin

Michael Lucien



Oliver Elcock

Terrence Henry

Stephen Tang Nian

Kalana Prince-Wilson

Prof. St Clair King

GOVERNANCE STRUCTURE > >

The Telecommunications Authority of Trinidad and Tobago (the Authority) is an independent regulatory body established by the Telecommunications Act, Chap. 47:31 of the Laws of Trinidad and Tobago. The Authority became operational on July 1, 2004 and is responsible for the development of Trinidad and Tobago's telecommunications and broadcasting sectors.

One of the Authority's primary responsibilities is the continual review and development of a rigorous regulatory framework to serve as a platform for the delivery of reliable, affordable technologies by service providers from which all segments of society can benefit.

A Board of Directors appointed by the President of the Republic of Trinidad and Tobago manages the Authority and all initiatives are implemented under the guidance of the Board of Directors, Board Committees and the Senior Management Team as listed hereunder for the period 2018–2019:

Board of Directors

Gilbert Peterson, S.C. (Chairman)
Dr Kim Mallalieu (Deputy Chairman)
Deoraj Seegobin
Kalana Prince-Wilson
Michael Lucien
Nikolaïski Ali
Oliver Elcock
Professor St. Clair King
Stephen Tang Nian
Terrence Henry

Sub-Committees of the Board

Adherence to optimal ethical standards and international best practice in the telecommunications and broadcasting sectors are assured through keen oversight by the following subcommittees of the Board.

Audit Committee

The committee assists the Board of Directors in fulfilling its oversight responsibilities in a number of areas, including management of risk and compliance with legal and regulatory requirements.

Stephen Tang Nian (Chair)
Deoraj Seegobin
Nikolaïski Ali

Governance Committee

The main role of this sub-committee is to ensure the Authority fulfils its legal, ethical, and functional responsibilities in areas such as recruitment and training of staff.

Gilbert Peterson, S.C. (Chair)
Michael Lucien
Professor St. Clair King
Terrence Henry

Board Review Committee

This committee assists in a number of areas, including reviewing regulatory documents, as well as reviewing and considering technical, policy and other decisions as may be requested by the Authority's stakeholders.

Dr. Kim Mallalieu (Chair)
Kalana Prince-Wilson
Stephen Tang Nian

Board Tenders Committee

This committee, inter alia, considers tenders and awards contracts.

Nikolaïski Ali (Chair)
Oliver Elcock
Professor St. Clair King

Consumer Complaints Committee

This committee collects, decides on and reports to the Board on all consumer complaints. It is headed by an individual external to the Authority and comprises members of the Board and staff.

Pamela Benson (Independent Chair)
Michael Lucien (Board Member)
Rawle Harvey (Secretary)
Sherry Mc Millan (Executive Officer CC)
Cheryl Johnson (Manager Public Relations and Consumer Affairs)

MANAGEMENT TEAM > >



Cynthia Reddock-Downes
Chief Executive Officer
(Ag.)



Annie Baldeo
Executive Officer
Policy Planning
and Economics



Sherry Mc Millan
Executive Officer
Corporate
Communications



Karel Douglas
Executive Officer
Legal and
Enforcement/
Corporate
Secretary



Kirk Sookram
Executive Officer
Technology and
Engineering

15TH ANNIVERSARY ACTIVITIES > >



Winners Row - Individuals representing the winning companies that copped TATT's inaugural Telecommunications and Broadcasting Industry Awards, are all smiles.



Receiving awards for 15 years of dedicated service are from left Mr. Ryan Mohammed, Manager Procurement; Mrs. Lindy-Ann Neckles, Accounting Technician; Mrs. Gweneth Arnold, Hospitality Attendant; Mr. Selwyn Campbell, Driver/Courier; Mrs. Cynthia Reddock-Downes, Chief Executive Officer (Ag.), Mr. Kirk Sookram, Executive Officer-Technology and Engineering; and Mr. Rudra Bidaisee, Licensing Officer.



The ten-year awardees are from left Ms. Aisha Weston, Accounting Technician; Ms. Karina Persaud, Legal Advisor; Mrs. Tambi Serrano-Rock, Accounting Technician and Mr. Jerome Lynch, Compliance Officer.

15TH ANNIVERSARY ACTIVITIES > >

Interfaith Service

The Authority kicked off its 15th Anniversary activities with an Interfaith Thanksgiving Ceremony on July 1st, 2019 for staff and stakeholders. There was much to give thanks

for, as the Authority has made outstanding contributions to the development of this country's telecommunications and broadcasting sectors while ensuring the needs of all stakeholders within these sectors are met.



Parliamentary Secretary in the Ministry of Public Administration, Mr. Maxie Cuffie; former Chairman of TATT Mr. Selby Wilson and Current Deputy Chairman of TATT Dr. Kim Mallalieu share a light moment at TATT's 15th Anniversary Interfaith Service.



Group shot of management and staff who attended the Interfaith Service.

TATT AT WORK > >

The Commonwealth Telecommunications Organisation's three-day ICT Forum was hosted by the Authority from October 1st to 3rd 2018. The event, themed 'Digital Transformation: People, Processes and Technology' saw discussions on topics such as universal service funding, cybersecurity, data protection, spectrum management,

blockchain technology, the Internet of Things, artificial intelligence and innovation and youth. The CTO Council Meeting took place on October 4th where representatives from member countries reviewed operational and financial matters for the current year and considered and decided on financial and administrative matters for the following year.



Mr. Gilbert Peterson S.C. Chairman of the Commonwealth Telecommunications Organisation (CTO) and of TATT addressing the opening of the CTO ICT Forum in October 1-5, 2018.



Group shot of participants.

TATT AT WORK > >

Approximately 45 young women participated in a hands-on workshop, incorporating artificial intelligence and coding, facilitated by representatives from GSMA (North America), under their Tech4Girls Programme.

This activity was hosted by the Authority from April 25th to 26th in collaboration with CANTO, to commemorate International Girls in ICT Day and titled "Tech Savvy Girls".



Students from San Fernando Central Secondary School pose with Mr. Carlos Bosch (centre back) and Ms. Judith Azcunes de Valzania Centre front row, representatives of GSMA.



Students from St George's College learn how TATT monitors telecommunications systems in the country using its monitoring vehicles. In photo, Mr. Cleve Sirju shows them how.

TATT AT WORK > >

To mark the 50th anniversary of the International Telecommunications Union's (ITU) World Telecommunication and Information Society Day, the Authority, in collaboration with the Ministry of Public Administration (MPA), the Trinidad and Tobago Bureau of Standards (TTBS) and The University of the West Indies (The

UWI), St. Augustine campus, hosted a half-day workshop for stakeholders themed "Bridging the Standardisation Gap". This event focused on the importance of standards, the standards-making process, an introduction to existing sector standards, and how these can be utilised to achieve sustainable development goals.



Mr. Gary Turpin, Director of the National ICT Division MPA; Mrs. Cynthia Reddock-Downes, Chief Executive Officer (Ag.) at TATT; Ms. Nadita Ramachala, Acting Manager in the Standardisation Division of the Trinidad and Tobago Bureau of Standards (TTBS); Dr. Richelle Adams, Lecturer in the Department of Electrical and Computer Engineering The UWI.



Ms. Catherine Hughes, Minister of Public Telecommunications of the Co-operative Republic of Guyana led a delegation from their Telecommunications Agency on a knowledge exchange visit to Trinidad and Tobago. In photo: Standing from left (back row) are Ms. Sherry Mc Millan – Executive Officer, Corporate Communications; Mr. Karel Douglas – Executive Officer, Legal and Enforcement Corporate Secretary; (front row) Mr. Stephen Tang Nian – Member of the Board of the Authority; Mr. Andre Griffith – Director of Telecommunications, Telecommunications Agency, Guyana; Mrs. Cynthia Reddock-Downes – the Authority's CEO (Ag); Mr. Nikolaiski Ali – Member of the Board of the Authority; Mr. Gilbert Peterson, S.C. – Chairman of the Board of the Authority; Mr. Kirk Sookram – Executive Officer, Technology and Engineering, the Authority; Ms. Catherine Hughes Minister of Public Telecommunications, Guyana; Ms. Oniege Waldron - Guyana Telecommunications Agency; Mr. Deoraj Seegobin – Member of the Board of the Authority; and Ms. Annie Baldeo – Executive Officer, Policy, Planning and Economics.

TATT AT WORK > >

TATT formally rolled out its “Yuh Don’t Know What Yuh Don’t Know” Consumer education campaign in 2019. Colloquialised to tacitly convey critical messages to consumers, the campaign

featured a cast from TATT’s staff. The campaign included television ads, articles and comic strips on key consumer tips.



A scene from the Mobile Number Portability shoot featuring Aisha Weston and Shane Ragoobar, both from TATT.



Mr. Dexter Morgan, Director of Consumer Guidance, Consumer Affairs Division, Ministry of Trade and Industry, responds to a question from the audience at the campaign launch on May 23rd 2019.

TATT AT WORK > >

Consumer Awareness

TATT hosted interactive, consumer and ICT related engagements throughout the year to educate consumers of key areas of telecommunications and broadcasting services.

These engagements included sessions focused on building awareness of TATT, the role the organisation plays in Trinidad and Tobago and key services offered. Other sessions examined consumer rights and responsibilities, trending ICT related issues such as good social media practices and career options within the industry.



Communications Officer, Ms. Devaki Supersad speaks with students of Cowen Hamilton Secondary School.



TATT's Corporate Communications staff Ms. Ornella Moreau (left) and Mr. Rawle Harvey 2nd from right speak with participants at The UWI World of Work 2019 career fair.

TATT AT WORK > >

The Persons with Disabilities (PwDs) Subsidised Accessible Devices Project was launched on June 23rd 2019, at the Authority's Barataria office. Through the

project, mobile devices with assistive features will be given to the visually-impaired and hearing-impaired, at a subsidised cost.



In photo, are Ms. Annie Baldeo, Executive Officer, Policy, Planning and Economics; Ms. Bernadette Lewis, Secretary-General, Caribbean Telecommunications Union; Dr. Beverly Beckles, Chief Executive Officer of the National Centre for Persons with Disabilities; Ms. Sonja Johnson, Caribbean Telecommunications Union, Ms. Sharon Rogers and Ms. Asenath Mc Ewan, both representatives of the Ministry of Social Development and Family Services.



A cross-section of the guests. In the front row from left Mrs. Cynthia Reddock-Downes, the Authority's Chief Executive Officer (Ag.); Ms. Doreen Bogdan-Martin was elected Director of the ITU Telecommunication Development Bureau, Ms. Bernadette Lewis, Secretary-General, Caribbean Telecommunications Union; Mrs. Pamela Benson, Chairman of the Authority's Consumer Complaints Committee; Dr. Kim Mallalieu, the Authority's Deputy Chairman and Annie Baldeo, Executive Officer, Policy, Planning and Economics.



**INNOVATION
BREEDS
CREATIVITY**

Overview of the Telecommunications and Broadcasting Sectors

1 Review of Key Accomplishments and Ongoing Activities

In January 2017, a new strategic plan for the period 2016 – 2019 was approved by the Authority's Board of Directors. The plan identified three strategic imperatives as follows:

- **ICT Sector Development**
- **People Empowerment**
- **Global Leadership**

An operational plan for the strategic planning period was developed at the start of the financial year and key deliverables for each year of the plan were proposed. The key deliverables were monitored and managed through a quarterly corporate performance management system to ensure that the objectives of the strategic plan were realised.

Some of the key deliverables for the financial year 2018 – 2019 under each strategic imperative are reported on hereafter.

1.1 Strategic Imperative 1: ICT Sector Development

1.1.1 Strategic Objective: Facilitating ICT Development

1.1.1.1 Universal Service Infrastructure Projects – Broadband Development Access (Phase 1)

The Government of the Republic of Trinidad and Tobago (GoRTT) seeks to leverage the competitive ICT and telecommunications environment to facilitate enhanced productivity for business and industry via the Internet, as well as greater and more effective engagement between citizens and GoRTT. This is a key step towards fostering an information society and creating a digital economy, which are two objectives of Trinidad and Tobago's National ICT Plan 2018 – 2022.

Available, accessible and affordable broadband Internet access for all is critical to ICT development and the inclusion and participation of every citizen in developing a more knowledge-based and diversified economy. Universal service infrastructure projects can help to close the broadband gaps that currently exist in Trinidad and Tobago.

During the financial year under review, the Authority, with the input of relevant stakeholders, developed an implementation plan for the provision of broadband Internet access service in designated underserved areas. The plan also outlines the process for the competitive selection of a concessionaire to rollout the service.

1.1.1.2 Establishment of Standards to Promote Robustness of the National Telecommunications Infrastructure (Phase 3)

In an era where communication is integral to our lifestyle and with the increasing risks of environmental and man-made disasters, the robustness of the national telecommunications infrastructure is a critical contemporary issue. In the same manner in which the Authority is responsible for ensuring that public telecommunications networks operate with a desirable quality of service, it must also strive to safeguard those networks, so they remain available during disasters. Whilst there may be a limit to the ability of a public telecommunications network to operate under such conditions, the establishment of minimum standards would provide a reasonable level of resilience.

The Authority formulated the consultative standards document, Technical Standards for Public Fixed Telecommunications Networks, in the previous financial year.

During the review period, the first round of consultation was completed and the revised document and associated decisions on recommendations (DoRs) were approved by the Authority. The document has now been issued for a second round of consultation.

1.1.1.3 Review of Rollout Coverage Obligation of Free-to-Air Radio Broadcasting

Radio broadcasting networks are key to the national emergency communications infrastructure of the country and, hence, unlike television broadcasting coverage, radio broadcasting coverage is

required everywhere, including underpopulated areas. FTA frequency modulated (FM) radio broadcasters, in signing their concession agreements with the

Authority to provide broadcasting services, commit to meeting the rollout coverage obligations specified in their concession agreement. These obligations were established by the Authority to ensure that the population has access to radio broadcasting services throughout Trinidad and Tobago.

During the reporting period, the Authority completed a review of the technical feasibility of the coverage obligations established for radio broadcasting, which would inform future discussions with radio broadcasters on meeting their coverage obligations.

1.1.1.4 [International Telecommunication Union \(ITU\) World Radio Conference \(WRC-19\) Stakeholder Engagement](#)

The ITU Radiocommunications Bureau held its World Radio Conference, 2019 (WRC-19) in Sharm el-Sheikh, Egypt, from October 28 – November 22, 2019. The WRC serves as the culminating assembly for the work of the ITU-R over a particular cycle. This conference was attended by Member States (such as the Republic of Trinidad and Tobago), Sector Members (such as the Authority) and observers (such as equipment vendors and academia).

Member States met at this conference to agree on any change(s) to the use of radio frequency spectrum globally, regionally and nationally, as enshrined in the ITU Radio Regulations. The resultant agreements from this conference set the standards to be followed by Member States for efficient, harmonious spectrum use, in a manner that allows access to the broad range of existing and emerging wireless technologies.

The issues for discussion at WRC-19 were approved at the last WRC held in November 2015. These issues are referred to as the Agenda Items (AIs). The preparatory work for WRC-19 was discussed at a regional level within the Inter-American Telecommunications Commission (CITEL) and also the Caribbean Telecommunications Union (CTU). Country review of, and positions on, the AIs was based on the work conducted by such regional bodies.

During the financial year, a targeted stakeholder consultation on the Authority's recommended positions on the AIs was conducted.

1.1.1.5 [Finalisation of Amendments to the Telecommunications Act, Chap. 47:31 and Subsidiary Regulations](#)

In 2019, the Authority continued to take steps to modernise and enhance its legislative, policy and

regulatory frameworks, in line with relevant and up-to-date regulatory best practice. During the financial year under review, the Authority sought to fulfil the requirement to complete amendments to the Act and amend subsidiary regulations, which are to be finalised for submission to the Ministry of Public Administration before being laid in Parliament. Such regulations included:

- Telecommunications (Radio Spectrum Management) Regulations
- Telecommunications (Fees) Regulations
- Telecommunications (Interconnection) Regulations
- Telecommunications (Access to Facilities) Regulations
- Telecommunications (Consumer) (Quality of Service) Regulations
- Broadcasting Code for the Republic of Trinidad and Tobago

The Act Amendments, draft regulations and the Broadcast Code were completed and submitted to the line Ministry in January 2019.

1.1.2 [Strategic Objective: Encouraging and Facilitating Competitiveness](#)

1.1.2.1 [Determination of the Relevant Boundaries of the Domestic Retail Mobile Markets \(Phase 2\)](#)

In accordance with its mandate, which emphasises the establishment of conditions for an open market that promotes fair competition, the Authority is obligated to define markets appropriately and assess them for conditions of unfair competition, including dominance. This will provide further insight into the relevance of those particular markets and ensure the development and sustainability of fair competition.

The objective of Authority's review of the domestic retail mobile market was to develop clear and legally enforceable boundaries for that market, thus providing the Authority with the requisite powers to utilise price regulation regimes in matters of dominance abuse, where arising, in these markets. Data inputs utilised for this project were derived from consumer surveys, data submissions from service providers, and recommendations and comments from key stakeholders.

Phase 1 of the project involved a review of the methodology to be used for the assessment, the collection of primary and secondary data from the service providers, and the design and implementation of the consumer surveys.

Phase 2, implemented during this financial year, included the analysis of the data collected from the service providers and the consumer surveys, to inform the following economic tests: small but significant and non-transitory increase in price (SSNIP), cross-price elasticity, price correlation analysis and consumer switching. A mobile market definition report and a Draft Determination on Domestic Retail Mobile Market Definition were completed.

1.1.2.2 Completion of an Interconnection Benchmarking Study for the Telecommunications Sector in Trinidad and Tobago (Phase 3)

In accordance with section 15(2) of the Telecommunications (Interconnection) Regulations, 2006, the Authority sought to better inform its position in addressing interconnection rates, through a formal and detailed benchmarking exercise.

Phases 1 and 2 of this project involved conducting of the interconnection benchmarking study and publishing the results for a first round of public consultation.

During Phase 3, which was implemented during this financial year, the DoRs from the first round of consultation were completed, and the document was revised and issued for a second round of consultation.

1.1.2.3 Dispute Resolution Hearings

Under section 82 of the Act, the Authority is authorised to establish a process for the resolution of disputes between its concessionaires. During the financial year under review, the Authority

managed the adjudication of three disputes referred to the Authority between the following concessionaires:

- Telecommunications Services of Trinidad and Tobago (TSTT) vs Trico Industries Limited
- Columbus Communications Trinidad Limited vs TSTT
- Lisa Communications Limited vs TSTT

The matter between TSTT and Trico Industries Limited was successfully completed. The other matters are fixed for decisions which are expected in the next financial year.

Strategic Imperative 2: People Empowerment

1.1.3 Strategic Objective: Regulating Through a Consultative, Collaborative, Fair and Transparent Process

1.1.3.1 Publication of the Revised Consultation Procedures (Phase 2)

The Authority is responsible for the ongoing liberalisation and regulating of the telecommunications and broadcasting sectors. A key aspect of this process, in collaboration with the Authority's line Ministry, is the drafting of the industry's regulatory framework comprising policies, regulations, procedures and other documents, the implementation of which will have an impact on all stakeholders in these sectors.

As a result, and in accordance with section 18(4) of the Act, in 2005, the Authority formulated its Consultation Procedures for the Telecommunications and Broadcasting Sectors in Trinidad and Tobago. These procedures were revised during this review period to increase transparency and collaboration with stakeholders in the industry and the revised document issued for the first round of consultation.

1.1.3.2 Production of Consumer Education Articles and Videos

Many challenges faced by consumers of telecommunications and broadcasting services are as a result of a lack of information and awareness. As such, the Authority regularly publishes consumer education articles aimed at increasing public awareness and education. In particular, critical information relevant to consumers of telecommunications and broadcasting services, such as their rights and obligations, is also communicated through this avenue.

During the financial year under review, the Authority published 18 articles in the three daily newspapers and produced eight consumer education videos, which focused on a variety of topics, such as the Authority's consumer complaints process, mobile number portability, managing data when not connected to WiFi, and Fair Usage Policy.

The 18 articles provided relevant information on various topics highlighted and were presented in the form of comic strips which were popular among millennials.

The eight consumer education videos titled "Yuh Don't Know What Yuh Don't Know" presented key

information within scenarios set in the everyday life of the average person in Trinidad and Tobago.

The videos, which featured staff from the Authority as the actors, were broadcast on local FTA television and radio stations and were also uploaded on the Authority's social media accounts.

1.1.3.3 Development of a Procurement Handbook (Phase 1)

Under section 30(1) of the Public Procurement and Disposal of Public Property Act, 2015, the Authority is required to create handbooks in relation to its procurement process and disposal responsibilities. Such handbooks will not only serve as procedural guides to manage all activities relating to procurement but will also provide a framework of accountability for the Authority's activities and give reasonable assurance regarding the achievement of objectives.

During the financial year under review, the Authority drafted a handbook containing procurement policies, standardised bidding documents, procedural forms and other relevant documents to be used for procurement, retention and disposal of its property. The handbook was produced in accordance with the document guidelines set by the Office of Procurement Regulation (OPR).

The following documents were included in the handbook:

- Code of Conduct — Understanding and applying the rules contained in the Code of Conduct sets the tone and ethical standards for the procurement function.
- Disposal Process Policy and Process Maps — These ensure that all conditions necessary for disposal are in place before the procurement process is initiated and approaches are made to the market.
- Procurement and Contracts Performance Monitoring and Evaluation — This will be used to measure transaction costs, improvements, deficiencies and end user satisfaction.
- Procurement Portfolio Management and Supply Risk Assessment — This document presents a comprehensive picture of the procurement challenges faced in acquiring goods and services. Two types of information are required, namely, the estimated value of procuring each category of goods or services and the difficulty of procuring each category, expressed as a relative risk rating.

The handbook will also incorporate the Authority's tender rules and the requirements of the Public Procurement and Disposal of Public Property Act, 2015 into one comprehensive document.

1.1.3.4 Publication of an Annual Procurement Plan

Section 27 of the Public Procurement and Disposal of Public Property Act, 2015 mandates a procuring entity to publish annually its planned procurement activities for the following 12 months.

An annual procurement plan presents a strategy through which entity level, procurement-related risk and opportunity will be managed in support of the delivery of the entity's mandate and strategy.

Consistent with the requirements of the OPR, the draft annual procurement plan was completed by the end of the Authority's financial year. The preparation of the document was guided by public releases issued and workshops held by the OPR. Additional information obtained from a historical procurement data analytics project was also incorporated into the document.

1.1.4 Strategic Objective: Optimising People, Structure, Systems and Facilities

1.1.4.1 Preparation of Annual Report, Financial Statements and Annual Budget

The Authority's preparation of its annual report and financial statements for submission to Parliament involves the collection and collation of information on its deliverables for each financial year. This includes gathering statistics from all divisions and the preparation of financial statements to be approved by the Authority's Audit Committee and, subsequently, the Board of Directors.

The annual report and financial statements for the year ended September 30, 2018 were completed in December 2018, in accordance with the statutory timetable outlined in the Act. The documents were submitted to the line Minister for laying in Parliament.

Under section 55(2) of the Act, the Authority also has statutory responsibilities to prepare an annual budget and, as an operating entity, to prudently manage its financial resources. The annual budget was accordingly prepared and approved by the Audit Committee and the Board of Directors. It was then submitted to the line Ministry, and thereafter the Minister of Finance, for final approval by Parliament.

1.2 Strategic Imperative 3: Global Leader

1.2.1 Strategic Objective: Leading as an ICT Authority, Regionally and Internationally

1.2.1.1 Publication of the 13th Annual Market Report: Telecommunications and Broadcasting Sectors

This report presents annual information on the markets within the telecommunications and broadcasting sectors, which includes data on subscriptions, gross revenues and traffic of the relevant markets. The data collected are also used by the Authority to determine the market share of the relevant service operators, and to monitor and inform policy decisions that will facilitate the orderly development of markets within these sectors.

The data are based primarily on the results of a survey of concessionaires conducted within the telecommunications and broadcasting sectors for the period January to December, 2018. The report was completed in the financial year under review and published on the Authority's website. The report also included a special statistical pull-out to celebrate the Authority's 15th anniversary year.

1.2.1.2 Strategic Plan for the Period October 01, 2019 – September 30, 2022

The Authority commenced the drafting of its fifth strategic plan, spanning the period October 1, 2019 – September 30, 2022.

The methodology adopted involved soliciting feedback from a wide cross-section of the Authority's key stakeholders and using the inputs received to assist in determining the Authority's focus for the next three years. Sessions were held with the Authority's Board of Directors, industry stakeholders and employees of the Authority. By the end of this financial year, the draft of the new plan was almost completed and will be submitted during the first quarter of the new financial year, for final review and approval.

1.2.1.3 Digital Financial Services Memorandum of Understanding with the Central Bank of Trinidad and Tobago

The aim of this memorandum of understanding (MOU) is to identify common areas of responsibility for the Authority and the Central Bank of Trinidad and Tobago (CBTT), in matters relating to digital financial services and other areas of shared interest. Of particular importance, is the identification of operational activities relating to mobile network operators' involvement in mobile financial services. The MOU will outline these areas of commonality and a course of action to be adopted with the CBTT.

At the end of May 2019, research commenced on the information to be included in the MOU. This was followed by the drafting of the agreement in June 2019, which was shared with the CBTT. The CBTT also received a summary of recommendations of the ITU's Digital Financial Services focus group. The Authority subsequently held discussions with the CBTT on the e-money policy, which will then be submitted to the Minister of Finance.

2 Looking Ahead 2019 – 2020

Over the period 2019 – 2022, the Authority will focus on four strategic themes identified in its new strategic plan. By aligning its key activities to the four strategic themes identified in the plan, viz. Stakeholder Relationship Management, Sustainability of Industry, Universal Service, Connectivity and Digital Inclusion and Organisational Effectiveness, the Authority is confident its future goals will be realised through the implementation of its strategic initiatives under each theme.

The following sub-sections identify some of the objectives and key deliverables under these strategic themes to be implemented in the next financial period 2019 – 2020.

2.1 Stakeholder Relationship Management

2.1.1 Improving External Stakeholder Engagement

- Centralisation of stakeholder information and access

2.1.2 Strengthening of Brand Image

- Development of a brand strategy, including a social media strategy

2.1.3 Strengthening of Business Intelligence using ICT

- Implementation of an online data platform

2.2 Sustainability of Industry

2.2.1 Expansion of Revenue Streams

- Allocation of additional spectrum for the provision of public telecommunications and broadcasting services

2.2.2 Controlling Recurrent Expenditure

- Meeting statutory requirements such as the preparation of the annual report, annual budget and financial statements

2.2.3 Facilitating ICT Innovation, Legislative Development and Research and Development

- Providing support for the national ICT legislative agenda

2.2.4 Enabling a Modernised and Dynamic Broadcasting Sector

- Improving intellectual property enforcement
- Enhancement of the Annual Broadcasters' Forum to promote local content development

2.2.5 Strengthening of Enforcement – Concession Obligations

- Ensuring more rigorous compliance and enforcement of concession conditions
- Performing annual monitoring of coverage and auditing of concessionaire rollout obligations

2.2.6 Reform of Spectrum Management

- Reviewing the spectrum management regulatory ecosystem collaboratively with stakeholders, for the development and revision of frameworks, procedures and guidelines
- Conducting spectrum audits to verify the authorised use of spectrum

2.3 Universal Service, Connectivity and Digital Inclusion

2.3.1 Facilitating Quality Broadcast Content

- Authorisation of a public broadcasting system

2.3.2 Closing the Access Gap through Universal Service Initiatives

- Design and implementation of digital inclusion survey
- Establishment of a broadband targets roadmap
- Implementation of universal service projects such as the National Free WiFi and Persons with Disabilities (PwDs) initiatives and the provision of greater access to broadband access through infrastructure development in underserved area

2.3.3 Enhancing Network Resilience

- Establishment of new technical standards for different network types
- Completion of National Emergency Communications Plan
- Facilitation of the establishment of sub-sea cable system landing station

2.4 Organisational Effectiveness (People, Systems, Processes)

2.4.1 Improving Employee Engagement

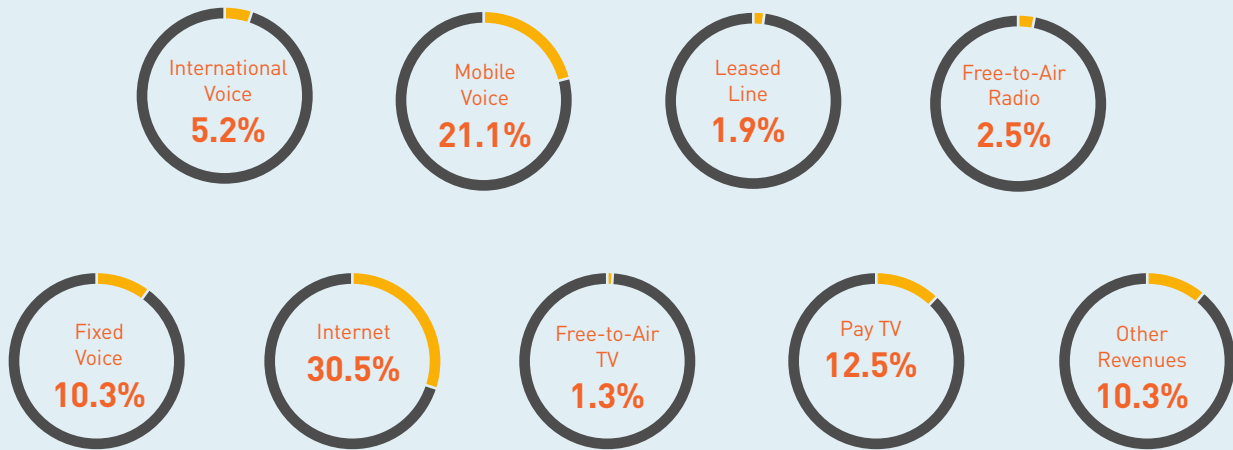
- Conducting initial employee engagement survey

2.4.2 Improving Organisational Efficiency and Effectiveness through Business Process Improvement

- Independent review of business processes and key areas which impact stakeholders
- Finalisation and rollout of approved human resources policies and procedures
- Development and rollout of ICT policies and procedures
- Implementation of the requirements of the procurement legislation



Figure 1. Percentage of revenue contribution by each market towards overall gross revenues of the industry



3. Overview of the Telecommunications and Broadcasting Sectors

3.1 Trends in Market Revenues for January to December 2018

The data in the Authority's *13th Annual Market Report: Telecommunications and Broadcasting Sectors 2018* (Annual Market Report 2018)¹ indicate that the telecommunications and broadcasting sectors generated an estimated TT\$5.64 billion² (US\$832.1 million³) in 2018, equating to 3.7% of GDP⁴. This represents a 7.8% increase in total revenues generated by this industry when compared to 2017⁵.

The telecommunications sector contributed TT\$4.28 billion (75.9%) of total revenues, while the broadcasting sector contributed TT\$1.36 billion (24.1%).

Of the total telecommunications and broadcasting revenues, Internet services accounted for the majority of revenues, with TT\$1,972.1 million (30.5%). This was followed by mobile voice services, which contributed TT\$1,190.1 million (21.1%). The next highest revenue earners for the industry were pay TV services and fixed voice⁶ services, contributing a total of TT\$703.1 million (12.5%) and TT\$583.8 million (10.3%), respectively. The international voice market was next, generating TT\$293.4 million (5.2%). The FTA radio and television markets each contributed TT\$138.9 million (2.5%) and TT\$71.2 million (1.3%), respectively. Leased line services⁷ contributed TT\$109.3 million (1.9%).

Other revenues⁸ generated TT\$580.5 million, which contributed 10.3% to total industry earnings. Of that TT\$580.5 million, telecommunications generated TT\$135.9 million in revenues, while broadcasting generated TT\$444.6 million.

To illustrate the above information, Figure 1 depicts the percentage revenue contribution by each market towards overall total revenues from the industry.

¹ The full Annual Market Report 2018 is available at <http://www.tatt.org.tt>.

² This figure includes revenues from telecommunications and broadcasting services offered to members of the general public and private leased line services.

³ Exchange rate US\$1=TT\$6.68

⁴ GDP at current market prices for 2018: TT\$150,847 million [Source: TT Ministry of Finance Review of the Economy 2018]

⁵ Total telecommunications and broadcasting revenues for 2017 were revised from the TT\$5.14 billion previously reported to TT\$5.23 billion.

⁶ Fixed voice market revenues include revenues earned from fixed voice services and access (excluding international services).

⁷ Leased lines include both international and domestic leased circuits.

⁸ "Other revenues" comprise revenues earned from both the telecommunications sector and the broadcasting sector, such as revenues received from wholesale services, and production and airtime for local programming on pay TV.

3.2 Domestic Telecommunications and Broadcasting Statistics

The statistics for the telecommunications and broadcasting markets over the period 2010 – 2018, taken from the Annual Market Report 2018, are shown in Table 1.

The data — on subscriptions, average revenue per user (ARPU) and traffic from the relevant markets — is used by the Authority to monitor and inform policy decisions that facilitate the orderly development of the markets within these sectors.

Table 1. Domestic telecommunications and broadcasting statistics for the period December 2010 – December 2018

		2010	2011	2012	2013	2014	2015	2016	2017	2018
General	Population (millions)	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4
	GDP per capita (US \$ millions) ⁹	15,924	17,042	19,018	27,855	28,183	19,311	16,637	20,077	22,245
	Telecom revenue (US \$ million)	713.1	737.0	834.0	864.4	881.5	876.7	836.0	758.1	832.1
	Total telephone subscriptions ('000s)	2,187.6	2,117.7	2,169.8	2,235.2	2,270.4	2,393.2	2,471.6	2,349.3	2,290.3
	Total telephone penetration	167.2	160.7	164.7	168.3	171.4	180.7	186.6	177.3	172.9
	Average revenue per user ¹⁰ (ARPU) US \$	322.5	348.0	384.4	386.7	388.3	366.3	338.2	322.7	363.3
Fixed Voice	Fixed voice subscriptions ('000s)	293.3	291.5	286.1	291.3	289.8	269.8	305.7	318.7	317.7
	Fixed voice penetration	22.3	22.0	21.6	21.9	21.9	20.0	22.6	23.5	23.4
	Fixed voice household penetration	67.5	67.1	55.3	56.2	56.6	52.5	62.1	66.3	66.7
	Average revenue per user (ARPU) US \$	411.5	417.3	430.5	413.1	410.7	424.2	402.4	359.0	272.4
	Fixed voice subscription growth (%)	-3.3	-0.6	-1.9	1.6	-0.7	-6.3	13.3	4.2	-0.3
Mobile	Mobile subscriptions ('000s)	1,894.2	1,826.2	1,880.6	1,943.9	1,980.6	2,123.4	2,165.8	2,031.6	1,972.6
	Mobile penetration	143.8	138.6	142.2	146.4	149.1	157.3	160.0	150.0	145.1
	Average revenue per user (ARPU) US \$	164.0	173.0	188.0	189.0	174.5	147.1	136.8	113.0	89.0
	Mobile subscription growth (%)	2.6	-3.6	3.1	3.2	1.9	7.2	2.0	-6.2	-2.9

⁹ GDP per capita is recorded at current market prices.

¹⁰ ARPU is calculated as the total revenues generated from the service divided by the total number of subscriptions to the service.

		2010	2011	2012	2013	2014	2015	2016	2017	2018
Internet	Total internet subscriptions ¹¹ ('000s)	309.9	325.2	646.7	682.3	820.1	925.2	1,001.7	1,031.6	1,017.9
	Fixed internet subscriptions ¹² ('000s)	171.1	192.0	224.2	231.7	249.6	279.8	294.4	327.0	341.3
	Mobile internet subscriptions ¹³ ('000s)	138.8	133.2	422.5 ¹⁴	450.6	570.5	645.4	707.3	704.6	678.6
	Fixed broadband subscriptions ¹⁵ ('000s)	162.9	187.9	221.3	229.6	248.1	278.5	294.3	326.8	341.1
	Fixed internet users ¹⁶ ('000s)	684.0	768.0	726.0	751.0	757.8	851.1	900.7	1,001.4	1,051.4
	Fixed internet penetration	13.0	14.6	16.9	17.4	18.8	21.1	21.7	24.2	25.1
	Mobile internet penetration	10.5	10.1	31.9	33.9	43.0	47.8	52.2	52.0	49.9
	Fixed internet household penetration	49.9	52.8	52.1	54.2	58.3	65.4	69.3	76.9	80.8
	Average revenue per user (ARPU) US \$ for fixed internet	409.9	431.9	422.8	440.0	448.6	430.3	470.5	417.9	492.7
	Fixed internet subscription growth (%)	18.0	21.7	10.7	6.0	7.8	12.1	5.2	11.1	4.4
International voice Traffic	International - Outgoing (min. million)	282.9	274.5	263.5	277.9	268.3	247.2	170.9	125.2	125.9
	International - Incoming (min. million)	358.5	256.2	245.7	234.8	234.1	199.2	202.7	192.9	127.1
	Inbound/Outbound int'l traffic ratio	1.3	0.9	0.9	0.8	0.9	0.8	1.2	1.5	0.99
Pay TV	Pay TV subscriptions ('000s)	178.9	187.8	198.7	209.3	228.8	232.8	248.4	246.7	234.7
	Pay TV penetration	13.6	14.1	14.8	15.8	17.2	17.2	18.3	18.2	17.3
	Pay TV household penetration	52.1	54.0	48.2	52.1	57.0	58.0	61.9	61.5	58.5
	Average revenue per user (ARPU) US \$	431.2	468.6	505.5	520.8	493.2	497.7	486.8	425.2	427.5
	Pay TV subscription growth (%)	-0.4	5.0	5.8	5.3	9.3	1.7	6.7	-0.6	-4.9

¹¹Total internet subscriptions is the sum of fixed internet subscriptions and mobile postpaid internet subscriptions.

¹²Fixed internet subscriptions is the total number of subscriptions with fixed wired or fixed wireless internet access.

¹³Mobile internet subscriptions from 2003 to 2011 include postpaid mobile customers who subscribe to monthly internet airtime and who are billed accordingly.

¹⁴Mobile internet subscriptions from 2012 to 2016 includes prepaid and postpaid mobile internet users.

¹⁵Fixed Broadband subscriptions is the number of internet subscribers with access to download speeds of 256kbps or above.

¹⁶Fixed internet users is the number of persons who regularly use fixed internet services.

3.3 Trends in Subscription Penetration as at December 2018

The subscription penetration rate is calculated as the number of subscriptions per 100 of the population. Figure 2 shows the penetration rates for all subscription-based markets from 2014 to 2018. The penetration rate for fixed Internet services increased in 2018, while the penetration rates for mobile voice, fixed voice, pay TV and mobile internet decreased.

The fixed internet penetration rate increased from approximately 24 out of every 100 inhabitants having a fixed internet subscription to 25 out of every 100 inhabitants. As in the previous year, there was a decline in the mobile voice penetration rate, from 150.0 in 2017 to 145.1 in 2018. The mobile internet penetration rate also decreased, from 52.0 in 2017 to 41.6. The pay-TV penetration rate decreased marginally, from 18.2 in 2017 to 17.3.

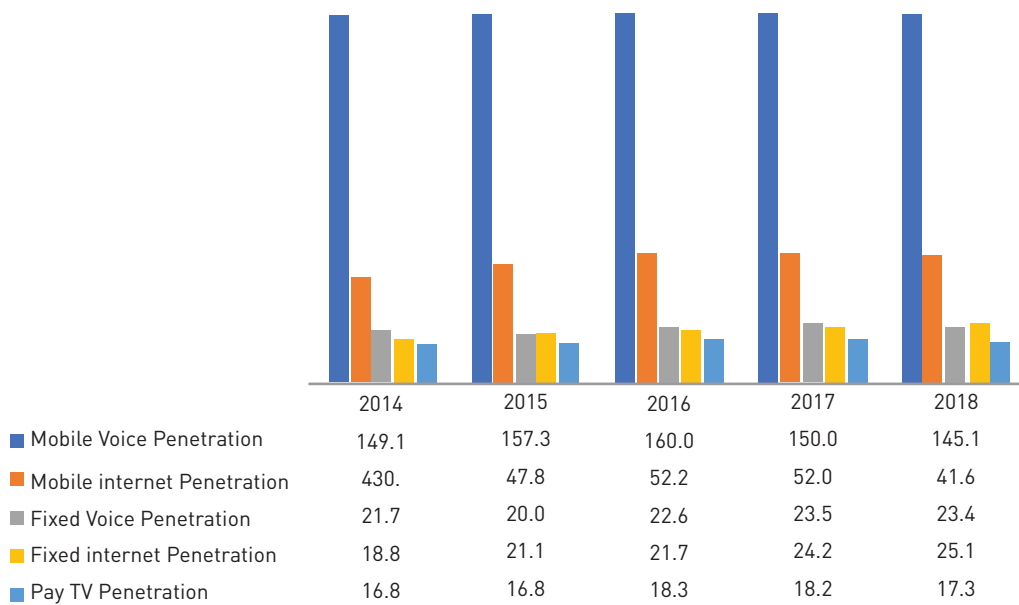


Figure 2. Penetration rate of subscriptions from 2014 to 2018

3.4 Broadcasting and Telecommunications Concessions as at September 2019

Tables 2 and 3 list the number of broadcasting and telecommunications concessions, respectively, that were authorised and operating within these markets as at September 30, 2019.

Table 2. Broadcasting market concessions for the period September 2016-September 2019

Types of Broadcasting Concessions	September 2016	September 2017	September 2018	September 2019
Free-to-Air Television	6	6	5	5
National	5	5	4	4
Major Territorial	1	1	1	1
Subscription (Pay) Television	14	14	13	13
National	8	8	7	7
Major Territorial	1	1	1	1
Niche	4	4	4	4
Minor Territorial	1	1	1	1
TV Broadcasting via Cable	13	14	14	14
National	12	13	14	14
Major Territorial	1	1	-	-
Free-to-Air Radio	37	37	37	37
National	29	29	29	30
Major Territorial	6	6	6	5
Minor Territorial/Niche	2	2	2	2
Total	70	71	69	69

Table 3. Telecommunications market concessions as at September 30, 2019

Types of Telecommunications Concessions	Authorised Providers	Operational Providers
	September 2019	September 2019
Fixed Telecommunications:	19	
Fixed Telephony		11
Fixed Internet		12
International Telecommunications	7	7
Mobile Telecommunications	2	2

With reference to the fixed telephony and fixed Internet markets in Table 3, a single concession is granted for the provision of fixed telephony and/or fixed Internet services and networks. During the period under review, of the 19 operators authorised to provide fixed domestic telecommunications services, only 11 concessionaires opted to provide fixed telephony services and 12 concessionaires opted to provide fixed internet services.

4 Stakeholder Engagement Statistics

1. Consumer Complaints Handling	2. Consumer Complaints Committee
3. Broadcast Content Complaints	4. Interference Complaints
5. Licence Applications	6. Concession Applications
7. Tower Administration	8. Radiofrequency Radiation (RFR) Measurements of Cellular and WiFi Sites
9. Numbering Assignment	10. Mobile Number Portability
11. Freedom of Information Act	

The statistics in the following sections give details of the work of the Authority in each of the above categories for the financial year under review.

4.1 Consumer Complaints Handling

During the reporting period, a total of 875 valid consumer complaints were received. Of this total, approximately 597 complaints (68.2%) were resolved. There are 278 pending complaints still being investigated, most of which were submitted during the last quarter of the financial year, and these are expected to be resolved early in the next financial year. The majority of complaints received — just over 45% — were attributable to a loss of service. The type and status of consumer complaints are shown in Figure 3.

Of the total complaints received, fixed line accounted for the majority, with 485 complaints (55.4%). This was followed by mobile, with 171 complaints (19.5%). Complaints related to the internet and pay TV services were next, accounting for 147 complaints (16.8%) and 72 complaints (8.2%), respectively.

4.2 Consumer Complaints Committee

The Consumer Complaints Committee (CCC) was established in May 2008, in accordance with section 18(q) of the Act, and is responsible for deciding on complaints that have not been resolved at the operational level.

The CCC met on two occasions during the financial year under review. Discussions centred on planning for two meetings with officials from seven service providers on consumer-related matters such as:

1. Automatic rebates for service disruption.
2. The issuance of contracts to persons applying for services online or over the telephone.
3. The publication of mobile rates and packages on service providers' websites.
4. The submission to the Authority of quarterly consumer complaints reports by the service providers.
5. Plans for mobile service coverage in remote and rural areas.

No complaints were brought before the CCC during the review period.

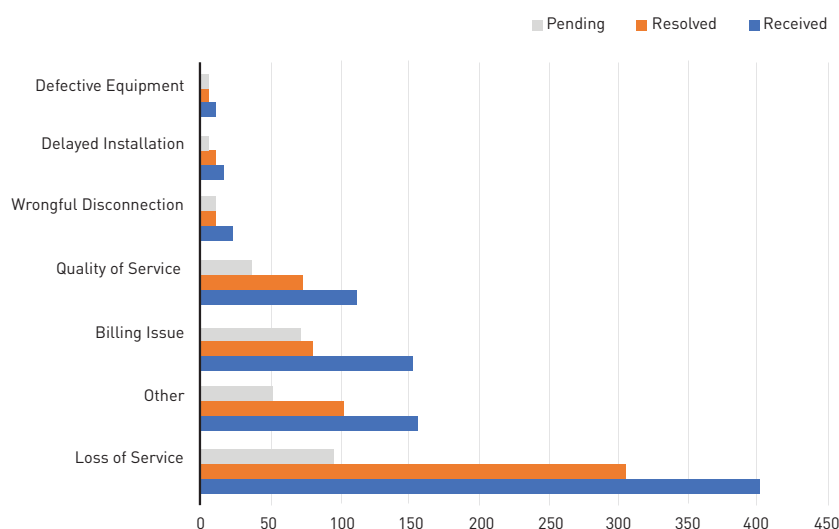


Figure 3. Consumer complaints handling from October 01, 2018 – September 30, 2019

Table 4. Broadcast complaints as at September 30, 2019

Type of Complaint	Number of Received Complaints	Resolved Complaints	Pending Complaints	Invalid Complaints	Withdrawn
Radio	22	16	3	2	1
Television	9	7	1	1	0
Total	31	23	4	3	1

4.3 Broadcast Content Complaints

The Authority receives complaints regarding both FTA radio and television broadcast content, as shown in Table 4. During the financial year under review, the Authority received 31 broadcast content complaints, of which 23 were resolved. Of the remaining eight

other complaints, three were deemed invalid due to the significant lapse of time between the broadcast date and the complaint submission date; one was withdrawn by the complainant; and four are currently being investigated by the Authority and are expected to be resolved in the new financial year.

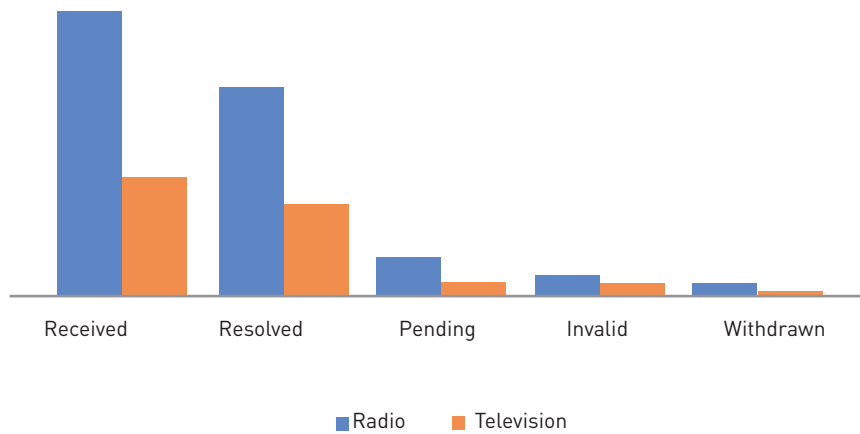


Figure 4. Broadcast content complaints from October 01, 2018 – September 30, 2019

4.4 Interference Complaints

Section 18(l) of the Act authorises the Authority to investigate and resolve all allegations of harmful interference and to issue “cease or modify” orders to those causing the interference.

In all instances, the Authority evaluates such complaints in accordance with its complaints process. The Authority first verifies the existence of harmful interference. Once this interference has been confirmed, the Authority proceeds to investigate the external source, based on consideration of the nature of the service, the severity of the interference, the impact on the authorised user(s), and any action taken by the licensee to resolve the problem. Based on the Authority’s findings, the necessary action is then taken to resolve the complaint.

For the financial year 2018 – 2019, the Authority received five complaints regarding harmful interference, of which four were radio related and one was telecommunications related. All five complaints were resolved within the period under review.

4.5 Licence Applications

During the financial year under review, 303 licence applications were granted and four were either

declined or withdrawn. At the end of the period, 44 applications, most of which were submitted during the last quarter of the financial year, were pending approval.

Figure 5 illustrates the number and types of licence applications that were either granted or declined/withdrawn during the period 2018 – 2019, and those pending approval.

4.6 Concession Applications

The granting of concessions to existing and potential service providers is undertaken in accordance with the Authority’s Authorisation Framework for the Telecommunications and Broadcasting Sectors of Trinidad and Tobago.

Table 5 shows the status of concession applications as at the end of the financial year, i.e., applications brought forward from the previous financial year, those received in the current year, applications which were approved and those which were pending.

Fifteen concession applications were brought forward from the previous financial year. One renewal application was received and seven applications were approved. As at the end of the financial year, nine applications were pending approval.

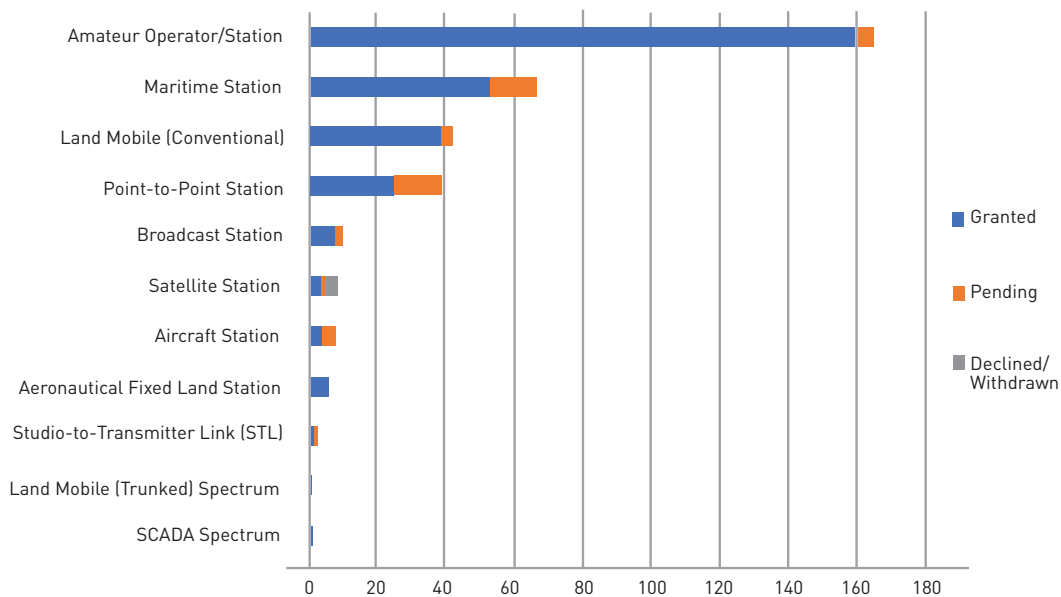


Figure 5. Status of licence applications as at September 30, 2019

APPLICATION TYPE	APPLICATIONS BROUGHT FORWARD	APPLICATIONS RECEIVED 2018 – 2019	APPLICATIONS APPROVED	APPLICATIONS PENDING		
	New	Renewal	New	Renewal		
International Telecommunications	2	1	-	-	-	3
FTA Radio	-	1	-	-	-	1
FTA Television	-	2	-	-	-	2
Mobile Telecommunications	-	-	-	-	-	-
Subscription Television Broadcasting	1	-	-	-	-	1
Television Broadcasting Service via Cable	6	-	-	-	6	-
Fixed Telecommunications	1	1	-	1	1	2
SUB-TOTAL	10	5	-	1	7	9
TOTAL	15	1	16			

Table 5. Concession applications as at September 30, 2019

4.7 Tower Administration

Tower administration is the process by which the Authority approves the location of new towers or recommends co-location on existing towers between service providers, usually to provide mobile telecommunications services. Service providers are required to apply to the Authority for tower non-objection, and their applications are assessed to ensure they meet the criteria for co-location of sites, i.e., the distance between towers and the feasibility of co-location.

Seven non-objection applications were received by the Authority, all of which were approved. A summary of the tower administration activity over the period 2018 – 2019 is given below:

TSTT – 1 application
 Digicel (Trinidad & Tobago) Limited – 5 applications
 Lisa Communications Limited – 1 application

4.8 Radiofrequency Radiation (RFR) Measurements of Cellular and WiFi Sites

A total of 203 radiofrequency radiation (RFR) measurements were conducted at the following cellular sites, all of which were found to be within acceptable limits:

TSTT – 106 sites
 Digicel (Trinidad & Tobago) Limited – 97 sites

4.9 Numbering Assignment

Central Office (CO) codes are assigned to operators of both fixed and mobile telephone networks by the Authority. The CO codes are three digits in length and usually identify the operator and the switching office providing the service to the customer.

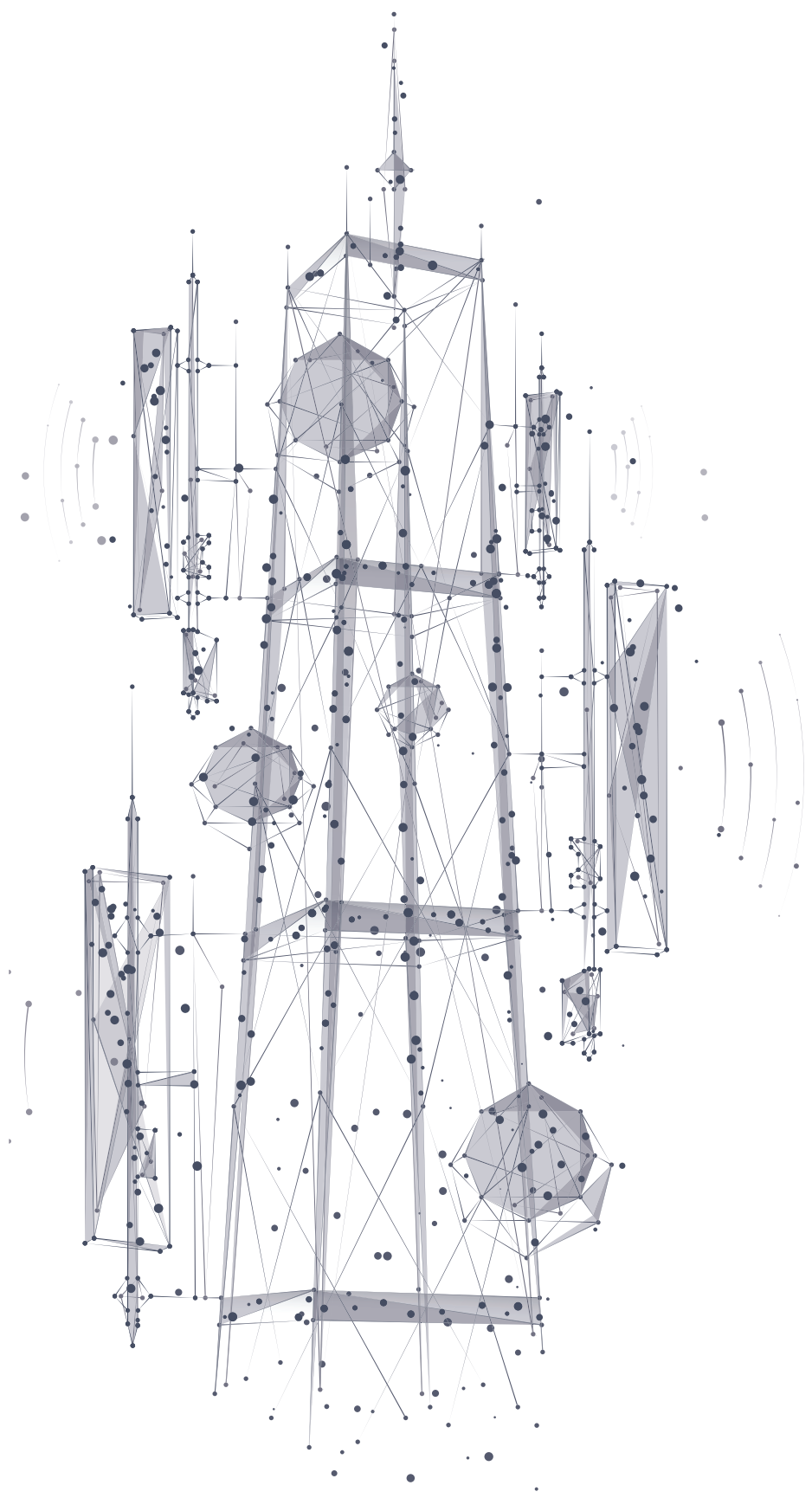
For the period 2018 – 2019, the Authority issued two fixed CO codes to Columbus Communications Trinidad Limited and three fixed CO codes to Digicel (Trinidad & Tobago) Limited.

4.10 Mobile Number Portability

Mobile number portability commenced in Trinidad and Tobago on October 31, 2016. During the period under review, a total of 5,778 mobile numbers were ported between the two mobile operators, namely, Digicel (Trinidad & Tobago) Limited and TSTT.

4.11 Freedom of Information Act (FOIA)

The Freedom of Information Act (FOIA) gives members of the public a general right (with exceptions) to access the official documents of public authorities. During the financial year, the Authority received 10 requests, of which nine were fulfilled. The outstanding request will be addressed in the new financial year.



Financial Performance

The Authority generates its own revenues, sourced primarily by concession and licence fees levied on all service providers within the telecommunications and broadcasting sectors. These funds are used to finance the operations of the Authority as it delivers on its mandate.

Pursuant to Sections 56 and 57 of the Act, the Authority prepares financial statements in accordance with International Financial Reporting Standards, which are Generally Accepted Accounting Principles (GAAPs) adopted in Trinidad and Tobago, and which are subject to an annual audit. Included in this report are the unaudited financial statements for the financial year ended September 30, 2019.

The Authority received gross revenues of TT\$85,373,571 during the financial year 2018-2019 — a decrease of approximately 2.8% from the previous year. Of this amount, concession and licence fees generated revenues of TT\$30,257,020 and TT\$54,215,420, respectively.

The Authority's operating expenditure for the year amounted to TT\$54,620,686. This represents an increase of approximately 8.8% over the previous year's expenditure of TT\$50,180,417. As expected, due to the nature of the Authority's work, staff costs continued to be the largest expense, accounting for approximately

56.6% of the Authority's total expenditure. Capital expenditure for the year amounted to TT\$3,106,600.

The surplus for the year 2018-2019 is \$30,752,885.

The Authority's receivables of TT\$12,763,550 represent an increase of approximately 45.8% over the previous year. Accounts payables and accruals increased by approximately 31.5% over the financial year, to TT\$5,164,604.

A cash balance of TT\$120,886,674 exists in the Universal Service Fund (USF). With the coming into force of the Telecommunications (Universal Service) Regulations in 2015, these USF contributions will be used to fund several key initiatives geared towards bridging the gap between those who have basic telecommunications services in Trinidad and Tobago and those who do not.

During the period under review, the Authority commenced work on two universal service initiatives: Phase 2 of the National Free WiFi Initiative and the provision of assistive technology devices for PwDs. These two initiatives are expected to be fully implemented during the financial period 2019 – 2020. During the financial year under review, the Authority also performed preliminary work on its third USF project, which involves the provision of broadband access to two underserved areas in Trinidad and Tobago.

The background is a complex, multi-layered digital composition. It features a grid of glowing lines in various colors (blue, green, yellow, red) that create a sense of depth and movement. A large, dark blue diamond shape is positioned in the center, serving as a focal point for the text. The overall aesthetic is futuristic and data-driven, with a mix of organic and geometric forms.

FINANCIAL REPORT

Statement of Management's Responsibilities

It is the responsibility of management to prepare financial statements for each financial year which present fairly, in all material respects, the state of affairs of the Telecommunications Authority of Trinidad and Tobago (the 'Authority') as at the end of the financial year and the operating results of the Authority for the year. It also requires management to ensure that the Authority keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Authority. They are also responsible for safeguarding the assets of the Authority.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards ('IFRS'). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with IFRS. Management is of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Authority and its operating results. Management further accepts responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of Management to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.



Gilbert Peterson, S.C.
Chairman
April 15, 2020



Dr. Kim Mallalieu
Deputy Chairman
April 15, 2020

TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

Statement of financial position

Expressed in Trinidad and Tobago dollars

	Notes	Unaudited Sep 2019 \$	Audited Sep 2018 \$
ASSETS			
Non-current assets			
Plant and Equipment	6	14,007,074	14,686,010
Total non-current assets		14,007,074	14,686,010
Current assets			
Receivables	7	12,763,550	8,750,370
Universal Service Fund Contribution Receivable	7	48,187,479	50,708,491
Cash and Bank Balance	8a	30,208,585	30,535,118
Cash and Bank Balance - restricted	8b	120,886,674	120,693,273
Total current assets		212,046,288	210,687,251
Total assets		226,053,362	225,373,262
LIABILITIES & RESERVES			
Reserves			
Reserves: Universal Service Fund	9	120,886,674	120,693,273
Reserves: Universal Service Fund contribution	9	48,187,479	50,708,491
Total reserves		169,074,153	171,401,764
Non-current liabilities			
Deferred Income	10	131,766	172,603
Total non-current liabilities		131,766	172,603
Current Liabilities			
Accounts Payable and Accruals	11	5,164,604	3,925,281
Due to Consolidated Fund		51,682,839	49,873,613
Total Current Liabilities		56,847,443	53,798,894
Total Liabilities and reserves		226,053,362	225,373,262

The notes on pages 49 to 64 form an integral part of these financial statements

TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

Statement of profit or loss and other comprehensive income for the year

Expressed in Trinidad and Tobago dollars

	Notes	Unaudited Sep 2019 \$	Audited Sep 2018 \$
Income			
Concession Fees		30,257,020	27,993,873
Licence Fees		54,215,420	57,275,434
Bank Interest		329	626
Other Income		859,964	1,006,148
Amortisation of Deferred Income	10	40,838	1,598,364
Total Income		85,373,571	87,874,446
Expenses			
Communications, Marketing & Policy Expenses	12	3,507,565	3,378,250
Fees - Legal & Professional	13	2,398,708	1,755,993
Training	14	3,371,028	2,737,860
Utilities		1,098,529	1,072,216
Rent/Lease Expenses	15	3,832,006	3,833,948
Staff Costs	16	30,915,527	28,094,398
Repairs and Maintenance		548,702	930,321
Other Administrative Costs	17	5,163,159	3,902,660
Depreciation		3,785,461	4,474,771
Total Expenses		54,620,686	50,180,417
Surplus for the year		30,752,885	37,694,029

The notes on pages 49 to 64 form an integral part of these financial statements

TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

Statement of changes in amount due to consolidated fund for the year

Expressed in Trinidad and Tobago dollars

	Unaudited Sep 2019 \$	Audited Sep 2018 \$
Amount due to Consolidated Fund brought forward from the previous period	49,873,613	43,124,510
Payment to Consolidated Fund during the year	(28,943,659)	(30,944,925)
Outstanding amount brought forward	20,929,954	12,179,585
Net surplus for the current year	30,752,885	37,694,029
Net amount due to Consolidated Fund at the end of the year	51,682,839	49,873,613

The notes on pages 49 to 64 form an integral part of these financial statements

TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

Statement of cash flows for the year

Expressed in Trinidad and Tobago dollars

	Unaudited Sep 2019 \$	Audited Sep 2018 \$
Cash flow from operating activities		
Net surplus for the year	30,752,885	37,694,029
Adjustment for non-cash items:		
Amortisation of deferred income	(40,838)	(1,598,364)
Amortisation of deferred income-licence fees	-	-
Depreciation	3,785,461	4,474,771
Gain on disposal of asset	-	(81,018)
Adjustment to Consolidated Fund	-	-
	<u>34,497,509</u>	<u>40,489,418</u>
Changes in		
Decrease/(Increase) in receivables	(4,013,180)	3,429,215
(Decrease)/Increase in accounts payable and accruals	1,239,323	(138,055)
Reserves - Universal Service Fund	193,401	65,930
	<u>31,917,052</u>	<u>43,846,508</u>
Cash flow from investing activities		
Acquisition of plant and equipment	(3,106,600)	(1,490,914)
Adjustment to fixed assets cost	75	-
Proceeds from sale of fixed asset	-	93,333
	<u>(3,106,525)</u>	<u>(1,397,581)</u>
Cash flow from financing activities		
Amount paid to Consolidated Fund	(28,943,660)	(30,944,925)
Proceeds from government grant	-	-
Net cash used in financing activities	<u>(28,943,660)</u>	<u>(30,944,925)</u>
Net increase/(decrease) in cash and cash equivalents	(133,133)	11,504,001
Cash and cash equivalents at start of period	151,228,391	139,724,390
Cash and cash equivalents at end of period	<u>151,095,259</u>	<u>151,228,391</u>

The notes on pages 49 to 64 form an integral part of these financial statements

TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the financial statements

For the year ended September 30, 2019 (Unaudited)
(Expressed in Trinidad and Tobago dollars)

1. Principal activities

The Telecommunications Authority of Trinidad and Tobago (the 'Authority') is an independent regulatory body, established by the Telecommunications Act (the 'Act') Chapter 47:31. The Authority is charged with the responsibility for the regulation of the telecommunications and broadcasting sectors. The Authority's mandate includes recommendations to the Minister for the granting of Concessions, the granting of Spectrum Licences and the collection of related fees, the determination of Universal Service obligations throughout Trinidad and Tobago, the establishment of National Telecommunications Industry Standards and Technical Standards, Price Regulation and Consumer Protection. The Authority became operational on July 1, 2004.

The Authority is located at # 5 Eighth Avenue Extension, Barataria, Trinidad.

The Authority reports to the Ministry of Public Administration and Communications

2. Adoption of new and revised International Financial Reporting Standards

Standards and Interpretations adopted with no effect on financial statements

The Authority has adopted the following new standards and interpretations which had no effect on the financial statements and which were effective for annual periods beginning or after January 1, 2018.

- IFRS 9 Financial instruments²
- IFRS 15 Revenue from Contracts with Customers
- Classification and Measurement of Share-based Payment Transactions – Amendment to IFRS 2
- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – Amendments to IFRS 4
- Transfers of Investment Property – Amendments to IAS 40
- IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- AIP IFRS 1 First Time Adoption of International Financial Reporting Standards – Deletion of short-term exemptions for first-time adopters
- AIP IAS28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit and loss is an investment by investment choice

Standards and Interpretations in issue not yet adopted, which may have an impact on the Authority's financial statements

The Authority has not applied the following new and revised IFRS that have been issued but are not yet effective:

- IFRS 16 Leases¹
- AIP IAS 23 Borrowing Costs – Borrowing costs eligible for capitalisation¹
- Definition of Material – Amendment to IAS 1 and IAS 8²

AIP – Annual IFRS Improvement Process

¹ Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.

² Effective for annual periods beginning on or after January 1, 2020, with earlier application permitted.

Notes to the financial statements

For the year ended September 30, 2019 (Unaudited)

(Expressed in Trinidad and Tobago dollars)

Standards and Interpretations in issue not yet adopted, which may have an impact on the Authority's financial statements (continued)

- **IFRS 16 Leases**

IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for leases of low value assets and short-term leases (i.e. less than 12 months). At the commencement of a lease the lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term

Lessees will be required to separately recognise the interest expense on the lease liability and depreciation expense on the right of use asset.

Lessees will be required to remeasure the lease liability upon the occurrence of certain events (eg. Change in lease term).

Implementation of IFRS 16 will impact the Authority's asset base, interest expense, depreciation, operating expense and EBITDA. Also cashflow will be affected as the payments for the principal portion of the lease will be reflected within Financing Activities.

- **AIP IAS 23 Borrowing Costs – Borrowing costs eligible for capitalisation**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset only when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The management of the Authority do not anticipate that the application of these amendments will have a significant impact on the Authority's financial statements.

- **Definition of Material – Amendment to IAS 1 and IAS 8²**

In October 2018 the IASB issued amendments to IAS 1 and IAS 8 to align the definition of "material" across the standards and to clarify certain aspects of the standard.

Old definition: Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements (IAS 1 Presentation of Financial Statements).

New definition: Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The management of the Authority do not anticipate that the application of these amendments will have a significant impact on the Authority's financial statements.

Notes to the financial statements

For the year ended September 30, 2019 (Unaudited)
(Expressed in Trinidad and Tobago dollars)

Standards and Interpretations in issue, which will not have an impact on the Authority's financial statements

The following new and revised IFRS that have been issued but are not yet effective and will not have any impact of the financial statements of the Authority:

- IFRIC Interpretation 23 Uncertainty over Income Tax Treatments¹
- Prepayment Features with Negative Compensation – Amendments to IFRS 9¹
- Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28¹
- Plan Amendment, Curtailment or Settlement – Amendments to IAS 19¹
- AIP IFRS 3 Business Combinations – Previously held interests in a joint operation¹
- AIP IFRS 11 Joint Arrangements – Previously held interests in a joint operation¹
- AIP IAS 12 Income Taxes – income tax consequences of payments on financial instruments classified as equity¹
- Definition of a Business – Amendment to IFRS 3²
- The Conceptual Framework for Financial Reporting²
- IFRS 17 Insurance Contracts³
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendment to IFRS 10 and IAS 28⁴

AIP – Annual IFRS Improvement Process

¹ Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.

² Effective for annual periods beginning on or after January 1, 2020, with earlier application permitted.

³ Effective for annual periods beginning on or after January 1, 2021, with earlier application permitted.

⁴ In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

3. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'). The financial statements have been prepared under the historical cost convention.

The preparation of these financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Authority's policies.

a) Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of the Authority are measured using the currency of the primary economic environment in which the Authority operates ('the functional currency'). The financial statements are presented in Trinidad and Tobago dollars, which is the Authority's functional and presentation currency.

Notes to the financial statements

For the year ended September 30, 2019 (Unaudited)
(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

Functional and presentation currency (continued)

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

- i) Fees charged by the Authority are recognised as income when services are provided.
- ii) Income from licences is recognised on a straight-line basis over the licence period.
- iii) Interest income is recognised as it accrues, unless collectability is in doubt.
- iv) Income is also recognised from receipt of Government grants. See Note 3(d) for Government grants.

c) Plant and equipment

All plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items of plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit or loss during the financial period in which they are incurred.

Plant and equipment are depreciated on the reducing balance basis at rates estimated to write off the cost of fixed assets over their useful lives. Current rates of depreciation are as follows:

Fixtures and fittings	20%
Computer equipment and software	25%
Office furniture and equipment	20%
Motor vehicles	25%
Telecommunication equipment and related software	25%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of profit or loss.

d) Government grants

Government grants related to fixed assets are deferred in the statement of financial position and amortised over the estimated useful lives of the assets to which it relates.

Notes to the financial statements

For the year ended September 30, 2019 (Unaudited)
(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks.

f) Receivables

Trade receivables are carried at original invoice amount less an allowance made for impairment of these receivables. The allowance for impairment of trade receivables is established based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

g) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

h) Provisions

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount of the obligation can be made.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

i) Reserves

Universal Service Fund

In accordance with the Telecommunications Act (2001) Section 28(3), the Board approves the appropriation of reserves to the Universal Service Fund. Section 53(3) of the Act restricts the use of these funds to the provision of Universal Service.

Consolidated Fund

In accordance with the Telecommunications Act (2001) Section 53(7), "At the end of each financial year, any surplus of funds remaining in the account opened in accordance with subsection (5), after defraying the expenditure referred to in subsection (2), shall be paid into the Consolidated Fund".

j) Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date, which are classified as non-current assets.

Notes to the financial statements

For the year ended September 30, 2019 (Unaudited)
(Expressed in Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

j) Financial assets (continued)

Loans and receivables (continued)

The Authority assesses at each statement of financial position date whether there is objective evidence of impairment of its financial assets.

k) Impairment of financial assets

The carrying amounts of the Authority's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

i) Calculation of recoverable amount

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

ii) Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

l) Taxation

As stated in section 54 of the Telecommunications Act, the Authority is exempt from income tax.

m) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit or loss over the period of the lease.

n) Comparatives

Where necessary comparative figures have been adjusted to conform to changes in presentation in the current year.

Notes to the financial statements

For the year ended September 30, 2019 (Unaudited)
(Expressed in Trinidad and Tobago dollars)

4. Critical accounting estimates and judgements

In the application of the Authority's accounting policies, which are described in note 3, management of the Authority are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. Key sources of uncertainty, which require the use of estimates, include:

Useful lives and residual values of plant and equipment

The estimates of useful lives as translated into depreciation rates are detailed in the plant and equipment policy above. These rates and the residual lives of the assets are reviewed annually taking cognisance of the forecasted commercial and economic realities and through benchmarking of accounting treatments within the industry.

Contingent liabilities

Management applies its judgement to the facts and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. Such judgement is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

5. Financial risk management

a) Market risk

The Authority's activities do not expose it to any significant market risks (including currency risk, fair value interest rate and price risk).

i) Cash flow and fair value interest rate risk

As the Authority has no significant interest bearing assets, the Authority's income and operating cash flows are substantially independent of changes in market interest rates. The Authority does not own any investments.

ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The majority of the financial instruments of the Authority are denominated in Trinidad and Tobago dollars, thus, the risk to the Authority is considered minimal.

b) Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers for outstanding receivables. The Authority does not have significant credit risk exposure to any single third party counterparty or any group of counterparties having similar characteristics. The Authority defines counterparties as having similar characteristics if they are related entities.

Credit risk also arises from cash and deposits with banks and financial institutions. For banks and financial institutions, only those with good standing and with a sound reputation are used.

TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the financial statements

For the year ended September 30, 2019 (Unaudited)
(Expressed in Trinidad and Tobago dollars)

5. Financial risk management (continued)

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Authority aims to maintain flexibility in funding by keeping committed credit lines available.

The table below analyses the Authority's financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 1 year equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year \$
At September 30, 2019	
Accounts payables and accruals	<u><u>5,164,604</u></u>
At September 30, 2018	
Accounts payables and accruals	<u><u>3,925,281</u></u>

Notes to the financial statements

For the year ended September 30, 2019 (Unaudited)
(Expressed in Trinidad and Tobago dollars)

6. Plant and Equipment	Telecommunication Equipment and Related Software							Total
	Cost	Computer Equipment & Software	Office Furniture & Equipment	Motor Vehicles	Fixtures & Fittings	Work in Progress		
At October 1, 2018	\$ 24,864,246	\$ 13,493,672	\$ 4,229,985	\$ 1,716,566	\$ 257,434	\$ 606,734	\$ 45,168,636	
Additions for the period	-	1,775,284	196,761	-	-	1,134,554	3,106,600	
Adjustment for the period		(75)					(75)	
Transferred Assets		252,926	66,000			(318,926)	(0)	
Disposal of Assets								
At Sep 30, 2019	24,864,246	15,521,807	4,492,746	1,716,566	257,434	1,422,363	48,275,161	
Depreciation								
At October 1, 2018	16,339,718	10,201,711	3,102,319	630,448	208,430	-	30,482,626	
Adjustment for the period							-	
Disposal of Assets	2,131,132	1,105,146	267,853	271,529	9,801		3,785,461	
Charge for the period	18,470,850	11,306,857	3,370,172	901,977	218,231	-	34,268,088	
At Sep 30, 2019								
Net Book Value at October 1, 2018	8,524,528	3,291,960	1,127,666	1,086,118	49,005	606,734	14,686,010	
Net Book Value at September 31, 2018	6,393,396	4,214,949	1,122,574	814,588	39,204	1,422,363	14,007,074	

Notes to the financial statements

For the year ended September 30, 2019 (Unaudited)
 (Expressed in Trinidad and Tobago dollars)

6. Plant and equipment

	Telecommunication Equipment and Related Software	Computer Equipment & Software	Office Furniture & Equipment	Motor Vehicles	Fixtures & Fittings	Work in Progress	Total
Cost	\$	\$	\$	\$	\$	\$	\$
At October 1, 2017	24,864,246	13,162,729	4,014,247	1,538,566	251,934	-	43,831,722
Additions for the period	-	330,942	215,738	332,000	5,500	606,734	1,490,914
Transferred Assets	-	-	-	(154,000)	-	-	(154,000)
Disposals	-	-	-	-	-	-	-
At Sep 30, 2018	24,864,246	13,493,672	4,229,985	1,716,566	257,434	606,734	45,168,636
Depreciation							
At October 1, 2017	13,498,209	9,127,462	2,844,746	481,581	197,542	-	26,149,540
Adjustment for the period	-	-	-	-	-	-	-
Disposal of Assets	-	-	-	(141,684)	-	-	(141,684)
Expense for the year	2,841,509	1,074,250	257,573	290,551	10,887	-	4,474,771
At Sep 30, 2018	16,339,718	10,201,711	3,102,319	630,448	208,430	-	30,482,626
Net Book Value at October 1, 2017	11,366,037	4,035,268	1,169,501	1,056,985	54,392	-	17,682,182
Net Book Value at September 30, 2018	8,524,528	3,291,960	1,127,666	1,086,118	49,005	606,734	14,686,010

TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the financial statements

For the year ended September 30, 2019 (Unaudited)
(Expressed in Trinidad and Tobago dollars)

	Unaudited Sep 30, 2019	Audited Sep 30, 2018
7. Trade and Other Receivables		
Trade Receivables	9,776,400	7,116,714
Less Provision for Bad Debts	<u>(4,486,153)</u>	<u>(4,389,825)</u>
Trade Receivables - Net	5,290,247	2,726,889
Staff Loan	197,409	220,528
Staff Loan (M. Vehicle)	1,234,565	1,405,187
Staff Loan (Corp Mobile)	(6,641)	(6,402)
VAT Receivable	4,889,371	3,163,454
Other Receivables/Prepayments	1,154,594	999,168
Goods in Transit	<u>4,005</u>	<u>241,547</u>
	12,763,550	8,750,370
Universal Service Fund Contribution	48,187,479	50,708,491
	60,951,029	59,458,861

Included within staff loans are loans to management amounting to \$nil (Sep 2018: \$nil).

	Unaudited Sep 30, 2019	Audited Sep 30, 2018
8a. Cash and Bank Balance		
Cash at Bank (TT\$ Account)	29,748,049	30,225,136
Cash at Bank (US\$ Account)	457,536	306,982
Cash on Hand (TT\$ Account)	<u>3,000</u>	<u>3,000</u>
	30,208,585	30,535,118
8b. Cash and Bank Balance - restricted		
Universal Service Fund (TT\$ Account)	<u>120,886,674</u>	<u>120,693,273</u>
	151,095,259	151,228,391

In accordance with Section 28, 53(d) and 53(6) of the Telecommunications Act (2001), the Authority is required to set aside funds for universal service obligations. Such funds are to be used exclusively for universal service obligations.

TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the financial statements

For the year ended September 30, 2019 (Unaudited)
(Expressed in Trinidad and Tobago dollars)

	Unaudited Sep 30, 2019	Audited Sep 30, 2018
9. Appropriation of reserves: Universal Service Fund Due to Universal Service Fund		
Balance at October 1	120,693,273	120,627,343
Bank charges	(360)	(360)
Bank deposits	193,761	66,290
	120,886,674	120,693,273
Reserves – Universal Service Fund contributions	48,187,479	50,708,491
Balance	169,074,153	171,401,764

The following have been charged in arriving at the amount due to the Consolidated Fund:

Staff costs (Note 16)	30,915,527	28,094,398
Director fees and expenses	702,448	478,500
Depreciation (Note 6)	3,785,461	4,474,771

	Unaudited Sep 30, 2019	Audited Sep 30, 2018
10. Deferred income		
Government grant relating to fixed asset	172,603	1,770,967
Amortisation	(40,838)	(1,598,364)
Government grant relating to fixed asset	131,766	172,603
	Unaudited Sep 30, 2019	Audited Sep 30, 2018
	\$	\$

11. Accounts Payable and Accruals		
Accounts payable	799,526	246,911
Deferred revenue	91,583	105,884
Outstanding commitments	3,409,220	3,446,928
Other current liabilities	864,274	125,558
Salaries deductions payable		
	5,164,604	3,925,281

TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the financial statements

For the year ended September 30, 2019 (Unaudited)
(Expressed in Trinidad and Tobago dollars)

	Unaudited Sep 30, 2019 \$	Audited Sep 30, 2018 \$
12. Communications, Marketing & Policy Expenses		
Promotions, publicity and printing	2,185,123	1,814,767
Official overseas travel	391,070	346,354
Hosting conferences/seminars	931,372	1,217,129
	3,507,565	3,378,250

13. Fees

These fees comprise mainly of legal fees incurred in compliance and enforcement, opinions from senior counsel and judicial review from the Authority's providers.

	Unaudited Sep 30, 2019 \$	Audited Sep 30, 2018 \$
Fees - Legal & Professional		
Legal and professional fees	2,398,708	1,261,393
Subscriptions and other charges	-	494,600
	2,398,708	1,755,993

14. Training

In accordance with Section 18(n) of the Act, the Authority is committed to continuous training of its personnel to ensure that the industry standards are in compliance with:

- i) International standards of the Telecommunications Union Convention
- ii) Testing and certifying of telecommunications equipment
- iii) Other relevant training necessary to achieve the objectives of the Act as outlined in Section 3 of the Act.

	Unaudited Sep 30, 2019 \$	Audited Sep 30, 2018 \$
Training		
Training, registration fees	567,223	505,252
Foreign travel, per diems, airfare	2,803,805	2,232,608
	3,371,028	2,737,860

TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the financial statements

For the year ended September 30, 2019 (Unaudited)
(Expressed in Trinidad and Tobago dollars)

15. Rent/lease expenses

Operating lease arrangements

Leasing arrangements

The Authority leases its facilities, which include executive and administrative offices which are renewed annually. Substantially the lease provides that the lessee shall pay maintenance, insurance and certain other operating expenses applicable to the leased property. The lease also includes renewal options.

Lease commitments

	Unaudited Sep 30, 2019	Audited Sep 30, 2018
	\$	\$
No later than 1 year	3,545,184	3,833,948
Later than 1 year	2,954,320	-
	6,499,504	3,833,948
	Unaudited Sep 30, 2019	Audited Sep 30, 2018
	\$	\$

16. Staff Costs

Salaries	27,834,238	25,425,680
Directors' fees and expenses	702,448	478,500
Pension contributions	1,658,576	1,650,146
Short-term employment	567,904	378,348
Other personnel expense	152,361	161,724
	30,915,527	28,094,398

The number of employees at Sept 30, 2019 was 97 (Sept 2018: 94).

	Unaudited Sep 30, 2019	Audited Sep 30, 2018
	\$	\$

17. Other Administrative Costs

Security	580,160	482,985
Janitorial services	307,367	320,189
Supplies	686,038	721,118
Other contracted services	3,247,563	2,284,712
Bad debt expenses	96,328	(191,920)
Other administrative costs	245,703	285,576
	5,163,159	3,902,660

TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the financial statements

For the year ended September 30, 2019 (Unaudited)
(Expressed in Trinidad and Tobago dollars)

18. Contingent liabilities and assets, commitments

Legal proceedings

The Authority is both plaintiff and defendant to several legal suits and proceedings. However, the disposition of these matters is not likely to have a materially adverse effect on its financial condition or results of operation.

19. Related party transactions

A number of transactions are entered into with related parties in the normal course of business.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Authority.

These transactions were carried out on commercial terms and conditions at market rates, except loans to officers.

Related party transactions and balances

Balances and transactions with related parties and key management personnel during the year were as follows:

	Unaudited	Audited
	Sep 30, 2019	Sep 30, 2018
	\$	\$
Key management compensation	3,106,513	3,975,207
Sale of asset	-	-

20. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	Unaudited	Audited
	Sep 30, 2019	Sep 30, 2018
	\$	\$
Financial assets		
Cash and cash equivalents	151,095,259	151,228,391
Receivables (Note 7)	9,776,400	7,116,714
	151,095,259	151,228,391
Other financial liabilities		
Payables held at amortised cost	5,164,604	3,925,281
	5,164,604	3,925,281

TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

Notes to the financial statements

For the year ended September 30, 2019 (Unaudited)
(Expressed in Trinidad and Tobago dollars)

21. Events after the reporting date

No significant events occurred after the reporting date affecting the financial performance, position or changes therein for the reporting year presented in these annual financial statements.



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