

# Annual Report

## 2008



# Our Vision

To create an optimal enabling environment in which the UAE ICT sector will emerge as a leader in the global market place.

## Our Mission

To support and enable the ICT sector in the UAE by safeguarding competition, providing fair access to the domestic infrastructure, and ensuring the optimal use of natural resources through the implementation of best practice in every area.

To enhance the quality of services offered; to raise public awareness; protect the consumer interests; facilitate the growth of the e-commerce environment; encourage investment, innovation, development and education; provide a stimulating environment for the TRA employees and preserve its national staff; and commit to implementing our responsibilities towards the society.

## Our Values

**Transparency**

**Fairness**

**Credibility**

**Sector Participation**

**Emiratization**

**Creativity**

**Awareness**

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# Board of Directors



H.E. Mohamad Bin Ahmad Al-Qamzi  
Chairman of the Board



H.E. Mohamed Nasser Al Ghanim  
Director General and Board Member



H.E. Essam Abdulmir Al Tamimi  
Board Member



H.E. Abdul Qader Al-Khayyat  
Board Member



H.E. Ahmed Humaid Al Mazrouie  
Board Member

# Chairman's Message

I am pleased to present this annual report, covering the TRA work from January 1<sup>st</sup> to December 31<sup>st</sup>, 2008.

If we were to sum up 2008 in a few words, there would be no description more apt than calling it a year of strategy formulation. During the year, the fourth since the TRA inception, we continued to pursue the strategic objectives of the prudent leadership of the United Arab Emirates (UAE). We also finalized a comprehensive strategy for the TRA over the coming years, and took numerous strategic initiatives that would ensure a bright future for the ICT sector. The year 2008 saw the TRA take on additional duties, when the UAE Cabinet dissolved the Supreme Committee for the Supervision of the Telecom Sector, and assigned its responsibilities to the TRA Board of Directors.

While we thank the esteemed Cabinet for its confidence in the TRA, we also thank the Supreme Committee for having constantly supported the work of the TRA over the past years. On behalf of the TRA board, management and staff, I would like to express our deep gratitude to the members of the Supreme Committee individually, and particularly the Chairman of the Supreme Committee, H.E. Eng. Sultan Saeed Al Mansoori.

Over the past 12 months, the TRA made significant advances towards

achieving the strategic objectives of the UAE leadership. Indeed, 2008 was another year in which we surpassed the expectations of the decision makers, as we pressed forward in regulating and developing the telecoms sector in line with their vision. Our efforts included the constant enhancement of service levels in the sector, boosting its contributions to the national economy, and safeguarding the nation's telecoms and data networks. We also continued to expand the country's base of human resources capable of serving what is without doubt a strategically vital sector.

Such objectives are priorities in the Strategic Plan we completed for the TRA in 2008, following extensive analysis of our activities, both internal and external. The Plan, which spans three years up to 2010, aims to further support the UAE strategic objectives in areas related to telecommunications and data exchange.

Our plans have already produced results we are proud of. On the domestic level, for instance, the telecoms sector revenue grew by 31.6% during the past year, exceeding AED 30 billion in 2008 compared to AED 22.8 billion in 2007. On the regional level, meanwhile, reports indicate that the UAE leads the Arab countries in many ICT-related areas. For example, we have the highest Internet penetration, the highest global bandwidth allocation, the highest mobile penetration, etc. Beyond quantitative criteria, the UAE is also the region's top achiever from a qualitative point of view. According to global reports, we top the region in terms of the ICT sector's place in the government's list of priorities. The UAE also has the region's most advanced ICT legislation, and has the highest level of readiness for e-Government transactions.



“2008 was a year of strategy, during which we continued to pursue the strategic objectives of the prudent leadership of the United Arab Emirates. We also finalized a comprehensive strategy for the TRA over the coming years, and took numerous strategic initiatives that would ensure a bright future for the ICT sector.”

**Mohamad Bin Ahmad Al-Qamzi**  
Chairman of the Board



The ranks that the UAE reached in the ICT sector regionally and internationally, and the sector growth all throughout the year, are the results of the implementation of the TRA strategic objectives to execute projects and initiatives in the ICT sector that serve governmental initiatives, to enhance the UAE Nationals' capacity building in the sector through providing specialized programs, to increase the broadband penetration rate, to safeguard security of networks and information security in the UAE, to encourage the introduction of advanced technologies in the UAE, to monitor the operators' prices for services to ensure fair competition, and to apply governance principles to all of the TRA practices.

Since its establishment, the TRA has been an independent public

authority. This has given us the flexibility to develop regulations, monitor the market and implement consultation in relevant fields. I am confident that the TRA will press ahead with even more momentum to achieve its goals for the development of the sector, the promotion of competition and the protection of consumer interests, to keep the ICT sector as one of the most important sectors supporting the national economy and scientific and technological progress within our society.

In conclusion, I can only express my thanks to my fellow members of the Board of Directors, the staff of the TRA and to all those who cooperated with us, for their support and their active participation and their outstanding work in the year 2008, which led to these positive results and success.

# Director General's Message



As we ushered in 2008, we marked the passing of almost a year since the introduction - in February 2007 - of active competition into the UAE telecom sector. During the year, the Telecommunications Regulatory Authority (TRA) launched a strategic plan, to be implemented during the period 2008 – 2010.

Based on the strategic plan, the TRA pressed ahead with its regulatory mandate, issuing numerous policies and decisions to regulate all aspects of the telecom sector. Our initiatives during the year included the formulation of a complete regulatory framework for content, which has been forwarded to the National Media Council. We also completed the licensing-framework, and started the licensing process of the UAE first Mobile TV provider. The TRA also conducted a field survey to collect ICT indicators in the UAE. An important milestone during the year was the issuance of the Internet Access Management (IAM) policy, which covers all aspects of access to the worldwide web in compliance with the UAE laws, and in conformity with social norms, and national traditions.

On the internal level, the TRA issued during the year its financial and administrative regimes, its contracts and purchasing manual, and its internal audit procedures. Amendments were made to the TRA Human Capital manual, and a Corporate Communications policy was enacted. We also formulated our Governance Policy & Procedures, putting in place a mechanism for the review and assessment of all regulatory policies and procedures. This included the introduction of a system for submitting suggestions and filing complaints, dubbed "Participate in Our Development".

On the global arena, 2008 saw the election of the TRA to the chair of the Arab Spectrum Management Group (ASMG). As a representative of the UAE, the TRA also joined the COSPAS-SARSAT system for search and rescue. We also delegated a permanent representative to the International Telecommunication Union (ITU) in Geneva, and sponsored the first economist to pursue a doctorate degree in telecoms economies in the United Kingdom.

Marking the World Telecommunications and Information Society Day, themed "Connecting People with Special Needs with ICT", the TRA launched an initiative called "Echo of Silence", aimed at helping individuals with special needs play a productive role in their communities, the initiative is focused on providing them with access to ICT services. In addition to participating and contributing to seven ICT-related exhibitions and events in the UAE during the year, the TRA hosted five regional meetings.

The year also saw the TRA taking various steps linked to its strategic objective of building the UAE pool of human resources in the ICT domain. One of its initiatives, the ICT Fund, was restructured and brought directly under the TRA umbrella. The Fund strategy and procedures, were consequently brought under review. The past 12 months also saw the TRA launching its "Be'tha" program, which takes its name from the Arabic word for "scholarship". The program provides full sponsorship for academically distinguished young men and women from all the UAE emirates, and would provide opportunities to study at prominent universities, locally and abroad, with focus on ICT and related majors.

“It has been an eventful and rewarding 12 months. Following the introduction of competition to the telecommunications sector in the UAE, the year 2008 was defined by our goal to preserve and protect healthy competition, maintain regulatory certainty and safeguard consumer interest within an industry that continues to flourish.”

**Mohamed Nasser Al Ghanim**  
Director General & Board Member



In 2008, the TRA completed the assembly of a technical task force for the UAE Computer Emergency Response Team (aeCERT). Set up with the approval of the UAE Ministerial Council for Services, aeCERT went on launching a nationwide campaign to raise levels of IT security awareness. The team also participated in the International Security & National Resilience Exhibition and Conference (ISNR), with a stand dedicated to the aeCERT initiative. The TRA also assembled a technical team for the .ae Domain Administration (.aeDA), which launched the .ae registration project and licensed nine registrars. The project, aimed at promoting the UAE domain name (.ae), was a resounding success, with over 95,000 domains registered by the end of 2008.

With so many achievements to date, I wish to commend corporations and institutions in the telecoms sector, whose support has been instrumental to our success.

I also commend all TRA staff, who are the cornerstone of our progress and ability to achieve the desired goals.

Finally, I would like to extend my gratitude to the members of the TRA Board of Directors, for their continuous support to the UAE telecoms sector and society as a whole.

# 2008 Review



Since the introduction of competition in the UAE telecoms sector in February 2007, the TRA has issued numerous directives, regulations and decisions that resulted in significant developments in telecoms services. In 2008, the TRA continued to support such developments by introducing more regulations and policies that would further enhance the sector.

The year saw such milestones as the Corporate Communications & Practices Policy, the Regulatory Instruments Designations, and the Regulatory Policy on the Internet Access Management. TRA directives during 2008 included a resolution regarding the Licensing Framework; followed by a resolution on Licensing Regulations.

The UAE national domain “.ae” was the focus of much regulatory work in 2008, with no less than 16 regulatory policies and resolutions issued by the TRA to govern Domain Administration, including: the Common Definitions Policy, the Registry-Registrar Agreement, the Acceptable Use Policy, the Zone File and Registry Database Access Policy, the Privacy Policy, the WHOIS Data Collection and Display Policy, the Reserved Names Policy, the Registrant Warranties Policy, the Domain Name Qualification Policy, the Domain Name Password Policy, the Domain Name Transfer - Change of Registrar procedure, the Domain Name Transfer – Change of Registrant Policy, the Domain Name Renewal, Expiry & Deletion Policy, the Complaints Handling Policy, the .ae Dispute Resolution Policy. A resolution by the TRA also set out the Rules for Domain Name Dispute Resolution.


Furthermore, the Mobile TV Licensing exercise began in early 2008 and was the first license award process that followed a bidding contest method. The reason for this was that the spectrum available for this service on a nationwide scale was sufficient to support only one service provider. The licensing process followed was transparent and consultative, with a document on the objectives and intended procedures issued for feedback from stakeholders before being finalized. The TRA also held a public briefing where the matter was explained and relevant clarifications made. This culminated in a final invitation document, together with a report on the consultation, being issued on 24 August 2008.

Initiatives pertaining to eCommerce in 2008 included the completion of a framework for licensing Certificates Service Providers (CSP) and regulating their business. The framework was approved by the Minister of Economy under the Minister Resolution No. (1) of 2008 on Certificates Service Providers Licensing and Regulations, attached with the CSP Fees approved by the UAE Cabinet and published in the Official Gazette, enforcing all related companies and institutions to abide by.

The TRA also prepared other relevant instruments and guidelines, including the eArchiving Guidelines and the Online Consumer Protection Guidelines. The TRA has also been working with the UAE Central Bank on the possible introduction of eMoney regulations, and with the Dubai eGovernment on the Trust ae initiative. Both parties have signed an MoU to work together on setting out the terms and conditions under which qualified websites are allowed to use a “Trustae” seal.

In 2008, the TRA also issued two Service License templates: one for the Global Mobile Personal Communications by Satellite (GMPCS), and another for Public Mobile Radio. The TRA also ratified the Articles of Association for two companies set up to operate ICT-related services: Satellite Communications Company (Yahsat), and Star Satellite Communications. The licensing of a third company, Specialized Telecommunications Corporation (Nidaa), was also approved by the TRA during the year.

As the TRA is running the UAE search and rescue frequencies database, the TRA represented the UAE in joining the COSPAS-SARSAT system. Aimed at providing accurate, timely, and reliable distress alert and location data, the global system is intended to help search and rescue authorities in locating and assisting persons in distress.



In 2008, the TRA issued a number of policies, directives and rulings, thus strengthening the TRA role as a regulator, and broadening the scope of the telecoms sector by introducing new services and launching new initiatives.

In 2008, the TRA hosted the first official meeting of the Arab Spectrum Management Group (ASMG). Held after the conclusion of the World Radio-communication Conference 2007 (WRC-07), which was organized by the International Telecommunication Union (ITU), the meeting allowed the ASMG review the results of the WRC-07, and discussed the proposed agenda for the forthcoming WRC-11 meeting in 2011. In addition to 120 members representing 17 Arab countries, the meeting was attended by the Secretariat General of the Arab Ministerial Council for ICT of the Arab League, and the Telecommunications Technical Bureau of the GCC Secretariat General. In this meeting, the UAE, represented by the TRA, was chosen to chair the ASMG.

The TRA also hosted the Working Party 5D (WP 5D) Meeting on International Mobile Telecommunications-2000 (IMT-2000) with the Radio-communication Sector of the ITU (ITU-R). The week-long meeting, which was being held in an Arab country for the first time, was attended by some 300 representatives from 3G services providers, international institutions and corporations and their senior engineers and executives, senior officials from the ITU and representatives of UAE-based telecom operators and government bodies.

The TRA hosted and chaired the "Regions 1 and 3 GSO/MSS (Geo Stationary Satellite Orbit/Mobile Satellite Services) 1.6/1.5 Band Multi Lateral Meeting Memorandum of Understanding (MLM MoU), of which the UAE is a founding member. The Meeting was attended by countries that have satellites, providing Mobile Satellite Services (MSS), and aiming to finalize frequency coordination procedures for interference-free operations of satellites providing MSS. Hence, it was attended by the regulatory bodies of the United Kingdom, France, Russia, Egypt, Japan, Indonesia, Australia and the European Space Agency.

During 2008, the TRA also completed its Non-ionizing Radiation (NIR) Technical Survey Project, through the measuring of chosen samples of base stations of both UAE licensed telecom operators, Etisalat and Du, for mobile services transmission, to ensure that international safety standards are met. This project was to ensure that emissions from communications sites comply with the general public exposure limits set down by the International Commission for Non-ionizing Radiation Protection (ICNIRP), where the results of the survey showed that all of the sites measured were by far below the ICNIRP guidelines.

The Internet Corporation for Assigned Names and Numbers (ICANN)



Regional Meeting was hosted by the TRA, which discussed a key topic on the possibility of getting domain names in Arabic online and available to the public. Discussions on finding a way for Arabic to be used for domain names, including the use of so-called “invisible characters”.

As well as protecting consumer interests, the TRA maintained in 2008 its role as a socially responsible corporate citizen. A number of initiatives throughout the year, aimed at strengthening ties with staff, suppliers and operators. Two of the most innovative and far reaching were “Be'tha” (Arabic for Scholarship) Program and “The Echo of Silence” initiative for people with special needs.

The TRA sponsored the Middle East Communications Exhibition & Conference (MECOM) 2008 in Abu Dhabi, and the GulfComms Exhibition within the GITEX Technology Week 2008 in Dubai, that are important forums for showcasing the latest trends and technologies in ICT; witnessed the presence of leading industry figures, demonstrating the growing confidence the sector showed in the UAE and throughout the region in 2008.

### A review of 2008 Rulings:

1. TRA Directive No. (1) of 2008 (issued on 7 February) on Interconnection Prices.
2. TRA Directive No. (2) of 2008 (issued on 8 June) on Provision of Carrier Pre-Selection (CPS) Interconnection Service by Emirates Integrated Telecommunications Company (du).
3. TRA Directive No. (3) of 2008 (issued on 8 June) on Provision of Carrier Pre-Selection (CPS) Interconnection Service by Etisalat.
4. TRA Directive No. (4) of 2008 (issued on 5 August) on Implementation of Carrier Pre-Selection- Interconnection Service Amendment.
5. TRA Directive No. (5) of 2008 (issued on 19 August) on Implementation of Mobile Video Call-Termination Interconnection Service Amendment.



# .ae Domain Administration

The .ae Domain Administration (.aeDA) is one of the TRA initiatives that was established in 2007. It is Registry Operator for the .ae domain name.

The .aeDA is responsible for enforcing all policy related to the operation of the .ae Country Code Top Level Domain (ccTLD), as well as overseeing the operation of the Registry System.

The .aeDA role includes executing policy related to the “.ae” national domain; growing, developing and marketing the .ae namespace; as well as accrediting and managing .ae Registrars. In addition, the .aeDA duties include educating the public, delivering and promoting the .ae domain name; resolving domain name disputes, and representing the .ae domain at international forums.

Applying world-standard best practices in ccTLD administration, the .aeDA administers the .ae domain in a fair and transparent manner. An example of this is the .aeDA accreditation process for Registrars, which includes a clearly outlined list of requirements. An entity applying for Registrar status is required to sign a Registry-Registrar Agreement with the .aeDA, demonstrate its technical ability to integrate with the Registry Systems used in the UAE, and comply with the .aeDA policies. Only those Registrars who meet all requirements would be accredited and allowed to operate in the .ae namespace.

Highlighting the TRA commitment to transparency, the .aeDA publishes all its policies on its website, to which visitors have open access. The .aeDA completed in 2008 numerous related policies, including: the Common Definitions Policy, the Registry Registrar Agreement, the Acceptable Use Policy, the Zone File and Registry Database Access Policy, the Privacy Policy, the WHOIS Data Collection and Display Policy, the Reserved Names Policy, the Domain Name Qualification Policy, the Registrant Warranties

Policy, the Domain Name Password Policy, the Domain Name Transfer - Change of Registrar, the Domain Name Transfer – Change of Registrant Policy, the Domain Name Renewal Expiry & Deletion, the Complaints Handling Policy, the .ae Dispute Resolution Policy, and the Rules of the Domain Name Dispute Resolution Policy for .ae domains.


Furthermore, the .aeDA is very keen in introducing domain name registration in Arabic. The .aeDA is a member of the Arabic Script IDN Working Group, which consists of members from different countries whose national languages use the Arabic script, as well as language and protocol experts. Domain names in Arabic characters will be introduced once all the technical preparations on the protocol and registry level are finalized. This is expected by the end of 2009.

The .aeDA registry provides both EPP and fully featured Web Portal Access, along with web based WHOIS and password recovery tools; as provided in the Acceptable Use Policy. Setting standards for the correct usage of Registry Services, the Policy also covers the EPP Service, the WHOIS Service and WHOIS Check Service.

While outlining the acceptable use of those functionalities, this Policy has been developed by the .aeDA to clearly inform users about the appropriate use of the Registry Systems. This Policy has been implemented to ensure that the stability and integrity of the Registry System is maintained for all users, and to provide all Registrars with fair and equitable access to the Registry System.

By the end of 2008, the number of .ae domain registrants has reached 95,189. The .aeDA at the time had accredited a total of nine .ae registrars, including two operating in the UAE.





During 2008, the TRA .ae Domain Administration (.aeDA) completed the licensing of 9 domain registrars, through whom over 95,000 domains were registered by year-end. The .aeDA also launched in 2008 plans that would ultimately enable the registration of domain names in Arabic.



إدارة أسماء نطاق الإنترنت  
Domain Administration

The eCommerce unit at the TRA was established following a Resolution of the UAE Cabinet issued in 2006. The Resolution, bearing No. (8/291) specified the TRA as the authority responsible for licensing, approving, monitoring and overseeing the activities of Certification Service Providers (CSPs).

Since then, the TRA, has sought to promote economic development and technological innovation, adopting transparent and fair regulations on par with international standards.

In addition to regulating the activities of CSPs, a key role of the TRA is to provide strategic advice to current and new stakeholders who choose to conduct business online. In so doing, the TRA seeks to fulfill the objectives set forth in Article 3 of UAE Federal Law No. (1) of 2006 pertaining to eCommerce and eGovernment, which are:

1. Protect the rights of persons doing business electronically and determine their obligations.
2. Encourage and facilitate electronic transactions and communications by means of reliable electronic records.
3. Facilitate and eliminate barriers to electronic Commerce and other electronic Transactions resulting from uncertainties over writing and signature requirements, and promote the development of the legal and business infrastructure necessary to implement secure electronic Commerce.
4. Facilitate the electronic filing of documents with governmental and non-governmental agencies and departments, and promote efficient delivery of the services of such agencies and departments by means of reliable electronic communications.
5. Minimize the incidence of forged electronic communications, alteration of communications and fraud in electronic Commerce and other electronic Transactions.
6. Establish uniform rules, regulations and standards for the authentication and validity of electronic communications.

7. Promote public confidence in the validity, integrity and reliability of electronic Transactions, communications and records.

8. Promote the growth of electronic Commerce and other transactions on the national and international level through the use of electronic signatures.

The TRA adopted a three-phase plan for the task. First, it would develop a regulatory framework for electronic commerce and transactions to ensure transparency and consumer protection. The second phase would entail enhancing the credibility of eCommerce and boosting the public's confidence in conducting business online. In the third phase, the TRA would contribute to the development of electronic and digital economy in the UAE in line with the overall Government strategy.

The eCommerce at the TRA completed the first phase in 2008. This entailed conducting a detailed study on licensing, approval, monitoring and overseeing CSP activity. The study investigated international best practices, and compared the regulations applied in 10 different countries around the world. Based on the study's outcome, the eCommerce Department produced a draft framework for the regulation of CSPs, along with a licensing template, which were subsequently approved and issued by the TRA.

In parallel with its eCommerce initiatives, the TRA also completed a number of eGovernment initiatives in 2008. During the year, the TRA signed an MoU with the Dubai eGovernment (DeG), leading to a partnership on the Trustae initiative. Designed in line with the UAE government's strategy on electronic commerce and transactions; the initiative aims to boost confidence in the electronic business environment in the UAE.

Managed as a joint-venture between the TRA and DeG, the initiative would lead to the introduction of an electronic seal, "Trustae", which would be granted to online eProviders who meet its criteria. As proposed by the initiative, the "Trustae" seal would be an indication that an electronic site applies a stringent code of conduct for online business.

In 2008, the TRA continued to promote economic development and technological innovation, adopting transparent and fair regulations on par with international standards.





As a contribution to the UAE efforts to develop the country's human capital, the TRA launched its "Be'tha" program in 2008.

The initiative seeks to supply the ICT sector with qualified nationals, by encouraging young students from the UAE to specialize in majors related to telecoms engineering.

a whole.

Be'tha was only one step the TRA took in this direction. In 2008, we also used various other means to help meet the growing needs of our sector. These included encouraging UAE-based students to specialize in ICT majors, and supporting local universities in ways that would help them continue feeding our vital sector with home-grown talent.

The development of human resources is a priority for the TRA. A strategic objective of ours is to continuously expand the UAE national work force skilled in all areas related to ICT. As part of this endeavour, the TRA launched in 2008 an initiative called Be'tha, which takes its name from the Arabic word for "scholarship". This financial sponsorship program seeks to strengthen the nation's educational sector, and sustain its ability to provide the UAE with skilled ICT graduates. Through scholarships and sponsorships for academically distinguished students, Be'tha will help boost the education sector's abilities in areas that meet the specific needs of the UAE.

The Be'tha initiative was launched in response to the increasing demand in the country for national human resources specialized in telecoms and related fields. Following an assessment of the current supply-demand scenario, the TRA found that the number of the UAE graduates in ICT-related fields was insufficient to meet the growing needs of a sector that continues to grow year after year. Thus, the TRA launched its initiative, through which academic scholarships will be given to distinguished students – both male and female – from all over the UAE emirates, covering their expenses as they specialize in ICT at leading universities, locally and abroad. The outcome of Be'tha is certain to benefit not just the UAE telecoms industry, but also the country as

An early fruit of the Be'tha initiative was the Agreement for Mutual Cooperation signed between the TRA and the Scholarship Coordination Office of the UAE Ministry of Presidential Affairs. The Agreement created 100 scholarships which would allow eligible young Emirati men and women to specialize in ICT studies at leading universities around the world. By the time 2008 came to a close, candidates had already been selected and subsequently sent abroad.



بمحة

برنامج بعثة هيئة تنظيم الاتصالات  
TRA Scholarship Program

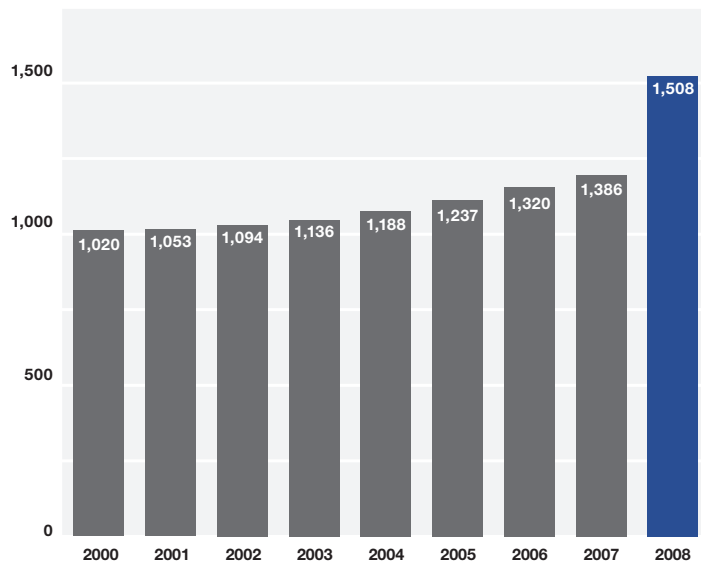
# Overview of the ICT Sector in the UAE

During 2008, the UAE saw significant growth in ICT.

Fixed line subscription reached 1.51 million in 2008, and fixed line penetration rates increased for the second year running.

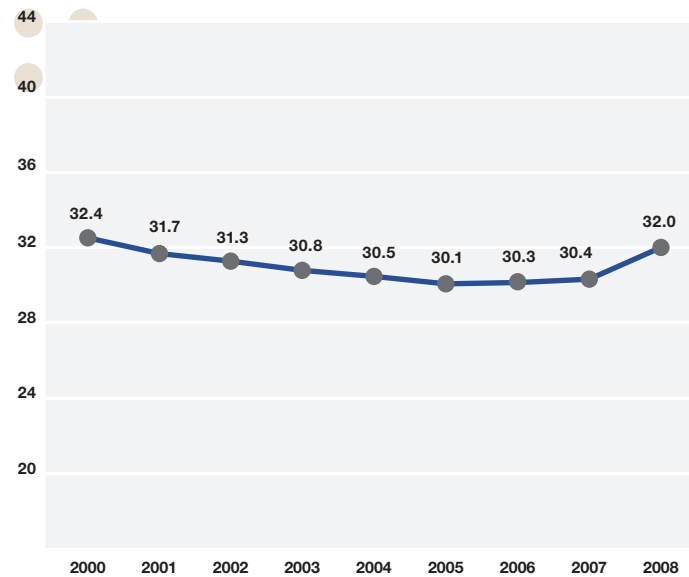
## Fixed Telephone Lines Subscribers

Thousand subscribers



## Fixed Telephone Lines Penetration

(Per 100 inhabitants)

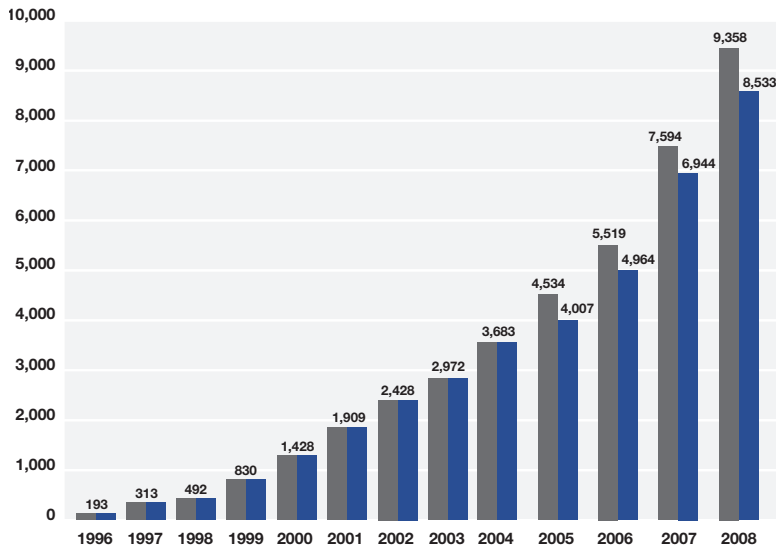


Mobile subscription grew by 23% to reach 9.36 million active subscribers, which represents a penetration rate of 196% active subscribers, of which 91% are prepaid.

### Mobile Subscribers

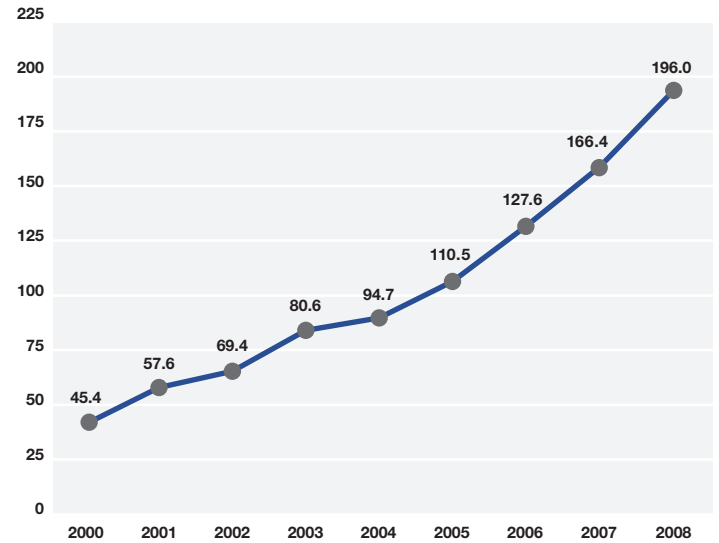
Thousand subscribers

Total  Prepaid



### Mobile Penetration

(Per 100 inhabitants)

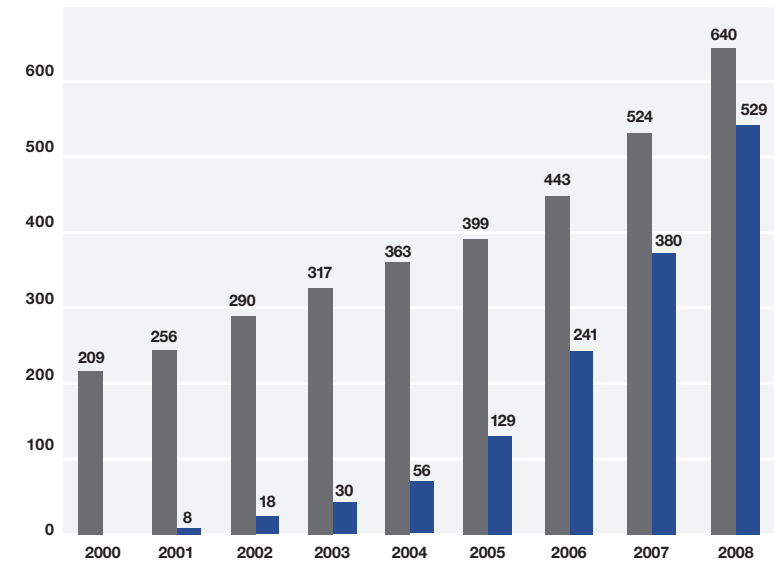


Broadband subscriptions increased by 22% in 2008 and also increased as a percentage of total internet subscriptions.

### Internet Subscribers

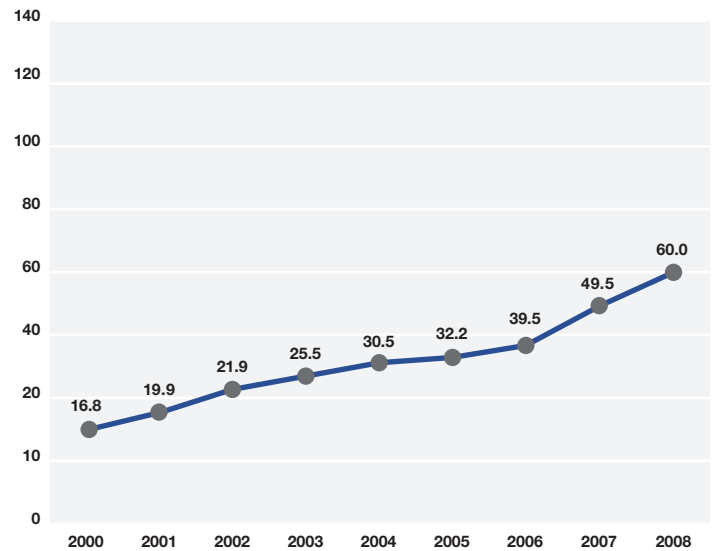
Thousand subscribers

Dial Up  Broadband



### Internet Penetration

(Per 100 inhabitants)



\* Chart based on the ITU method of calculating penetration rates, which assumes there are 2.5 users per Internet subscription.

## ICT Survey

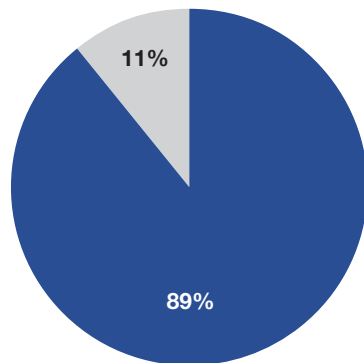
During the course of 2008, the TRA commenced a large multi-sector survey, examining the use of, and access to, the ICT in the UAE. Some of the key results of the survey are as follows:

- Within the private business sector, internet penetration reached around 92%.
- 82% of businesses with at least 10 employees have their own websites.
- While 66% of households of the UAE have internet, 83% of UAE national households have internet of which 95% is broadband.

- Within the education sector, 99% of schools have computer laboratories, and 95% of teachers in primary and secondary classes have taken some form of professional ICT qualification.
- 97% of government sector establishments have internet access and 89% have a website. 86% offer some form of online services to the public.

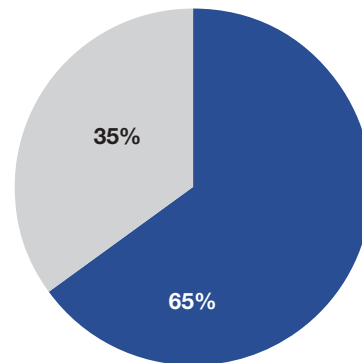
The following charts provide an illustration of opinions in relation to competitive aspects of the telecommunication service offerings in the UAE:

Proportion of households satisfied with the quality of telecommunication and Internet services in the UAE



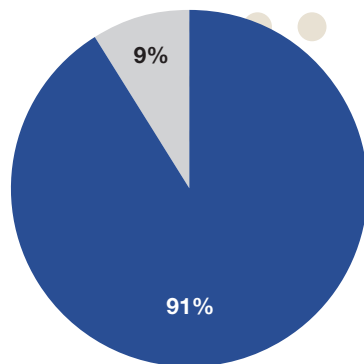
Satisfied ● Not Satisfied ●

Proportion of households that have noticed any improvements in the telecommunication service operators' prices over the past year or two



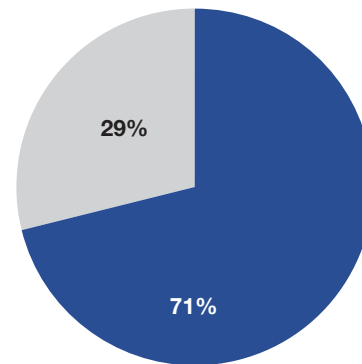
Have Noticed ● Have Not Noticed ●

Proportion of households that are satisfied with the telecommunication service operators' current prices



Satisfied ● Not Satisfied ●

Proportion of householders that have noticed more choices, offers or options in the telecommunication service operators' services in the past year or two



Have Noticed ● Have Not Noticed ●





# Corporate Social Responsibility (CSR)

Sponsoring 15 different projects and events during 2008, the TRA clearly demonstrated its CSR commitments towards the UAE community, environment and human element, adding a social dimension to our efforts to meet the country's needs.

The UAE witnessed in the past years a notable increase in awareness of Corporate Social Responsibility (CSR). Government institutions and private businesses alike took an increasing interest in adopting projects that fulfilled their social commitments. As an entity operating in a state-of-the-art sector, applying world-class standards, it was only natural for the TRA to be at the forefront of initiatives that reflect our commitment to the community.

It was also natural that the ICT sector, in which we operate, be the focus of our CSR drives. Over the past 12 months, the TRA sponsored 15 projects and events, through which we extended our support to national institutions, adding a social dimension to our efforts to meet the country's needs. One example is our "Be'tha" project, which takes its name from the Arabic word for "scholarship", and offers grants to academically distinguished students. A sizeable budget has been allocated for the initiative, highlighting the TRA view on the importance of educating and building a young national workforce for the ICT sector.

Another important CSR initiative by the TRA was "The Echo of Silence", which we launched in association with telecoms operators in the UAE.

This initiative was to mark the World Telecommunications & Information Society Day that takes place on the 17th of May of each year. In 2008, the International Telecommunication Union (ITU) themed this day "Connecting People with Special Needs with ICT Means".

Our first contribution was to support the Social Responsibility Fund (SRF) of the UAE Ministry of Social Affairs. Known for its projects and initiatives aimed at caring for individuals with special needs and developing their abilities, the SRF is at the forefront of government bodies working on integrating this segment into the social fabric of the UAE. Sharing the SRF belief that people with special needs can and must be allowed to contribute to their country's development, the TRA sought to facilitate the use of advanced ICT technologies for people with special needs. With particular emphasis on those with hearing disabilities, our goal was to allow this group to connect with the world, just like everyone else in the community.

The TRA headed a fund-raising campaign, in which the telecoms sector contributed some AED 8 million to support the SRF. The funds will be used to provide means which allow people with special needs to productively connect and communicate with society.

In terms of our CSR commitments to the environment, the TRA continued to pursue a direction it initiated in 2007, when it launched a nation-wide campaign for recycling old mobile telephones. In 2008, the TRA sponsored the "Environmental Thought Forum", which was organized by the Federal Environmental Agency as an opportunity to exchange environmental views. Key topics discussed during the event included eco-media, optimizing the use of resources, and facing common challenges.

Another CSR initiative in 2008 demonstrated our support for technical innovation among young men and women. The TRA sponsored the "3rd Mobile Application Contest (MAC'08)", organized by Khalifa University and the American University in Dubai. Some 20 teams from 12 UAE universities and colleges took part in the event, competing to develop new mobile phone solutions and applications that meet the various requirements of regional consumers.



# Financial Statements

## Independent Auditors Report to the Board of Directors of Telecommunications Regulatory Authority

### Report on the Financial Statements

We have audited the accompanying financial statements of Telecommunications Regulatory Authority ("the Authority"), which comprise the balance sheet as at 31 December 2008 and the statement of income and expenditure, statement of changes in accumulated surplus and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The financial statements of the Authority as of 31 December 2007, before restatement explained in note 2 to the accompanying financial statements, were audited by another auditor whose report dated 11 March 2008 expressed an unqualified opinion on these financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies outlined in note 3 to the financial statements. 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Authority as at 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies outlined in note 3 to the financial statements.

19 March 2009  
Abu Dhabi

Ernst & Young

# Statement Of Income And Expenditure at 31 December 2008

	Notes	2008 AED	2007 AED (Restated)
<b>Income</b>			
Licenses and authorisations	10	305,734,191	363,940,839
ICT Fund's contribution from licensees	2	212,071,357	214,314,070
Interest income		31,069,307	20,395,060
Other income		389,804	674,899
<b>Total income</b>		<b>549,264,659</b>	<b>599,324,868</b>
<b>Expenses</b>			
Staff cost	11	53,085,474	33,104,115
Rent		10,612,343	5,055,098
Training, seminars and publications		6,754,789	8,318,963
Consultancy fees		24,244,224	15,090,683
Advertisement and exhibition expenses		12,038,648	6,257,286
Depreciation	4	7,534,978	2,378,987
Other operating expenses		38,274,116	18,910,177
<b>Total expenses</b>		<b>152,544,572</b>	<b>89,115,309</b>
<b>Surplus of income over expenses for the year</b>		<b>396,720,087</b>	<b>510,209,559</b>

The accompanying notes form an integral part of these financial statements.

# Balance Sheet

## for the year ended 31 December

	Notes	2008 AED	2007 AED (Restated)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	37,815,242	14,088,731
Long term receivables	5		134,038,577
<b>Total non-current assets</b>		<b>37,815,242</b>	<b>148,127,308</b>
<b>Current assets</b>			
Trade and other receivables	6	162,380,145	144,761,596
Prepayments		6,651,539	7,228,143
Bank and cash	7	415,193,249	795,147,440
<b>Total current assets</b>		<b>584,224,933</b>	<b>947,137,179</b>
<b>Total assets</b>		<b>622,040,175</b>	<b>1,095,264,487</b>
<b>Accumulated Surplus and Liabilities</b>			
<b>Accumulated surplus</b>			
Accumulated surplus		549,653,126	852,933,039
<b>Non-current liabilities</b>			
Provision for end-of-service benefit	8	1,228,485	572,961
<b>Current liabilities</b>			
Trade and other payables	9	71,158,564	241,758,487
<b>Total liabilities</b>		<b>72,387,049</b>	<b>242,331,448</b>
<b>Total accumulated surplus and liabilities</b>		<b>622,040,175</b>	<b>1,095,264,487</b>

The accompanying notes form an integral part of these financial statements.

# Cash Flow Statement

## for the year ended 31 December 2008

	<b>2008</b>	<b>2007</b>
	<b>AED</b>	<b>AED</b>
<b>Operating activities</b>		
Net surplus for the year	396,720,087	510,209,559
<b>Non-cash adjustments to reconcile surplus for the year to net cash flows:</b>		
Depreciation of property, plant and equipment	7,534,978	2,378,987
Provision for end-of-service benefit charge	822,448	368,711
Loss on disposal of property, plant and equipment	41,283	—
Interest income on fixed deposits	(31,069,307)	(20,395,060)
<b>Working capital adjustments:</b>		
Trade and other receivables	2,772,903	(117,975,100)
Prepayments	576,604	(4,753,322)
Trade and other payables	(170,599,923)	12,962,453
Decrease in long term receivables	134,038,577	35,562,796
End of service benefit paid during the year	(166,924)	(115,689)
<b>Net cash from operating activities</b>	<b>340,670,726</b>	<b>418,243,335</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(22,003,618)	(9,641,546)
Additions to capital work in progress	(9,332,154)	(2,592,932)
Advances paid to contractors for capital work in progress	(20,391,452)	—
Proceeds from disposal of property, plant and equipment	33,000	—
Interest received on fixed deposits	31,069,307	20,395,060
Investment in fixed deposits	—	(197,146,200)
Proceeds from encashment of fixed deposits	197,146,200	—
<b>Net cash (used in)/from investing activities</b>	<b>176,521,283</b>	<b>(188,985,618)</b>
<b>Financing activities</b>		
Payments to the Ministry of Finance	(700,000,000)	—
Net cash used in financing activities	(700,000,000)	—
<b>Net increase in cash and cash equivalents</b>	<b>(182,807,991)</b>	<b>229,257,717</b>
Cash and cash equivalents at the beginning of the financial year	598,001,240	368,743,523
<b>Cash and cash equivalents at the end of the financial year (note 7)</b>	<b>415,193,249</b>	<b>598,001,240</b>

The accompanying notes form an integral part of these financial statements.

# Statement Of Changes In Accumulated Surplus for the year ended 31 December 2008

	Note	AED
<b>Balance at 1 January 2007</b>		<b>342,723,480</b>
Surplus of income over expenditure for the year (as previously reported)		297,134,544
<b>Balance at 31 December 2007 as previously reported</b>		<b>639,858,024</b>
Restatement for the recognition of results of the Fund	2	213,075,015
<b>Balance at 31 December 2007 as restated</b>		<b>852,933,039</b>
<b>Balance at 1 December 2008</b>		<b>852,933,039</b>
Payment to Ministry of Finance		(700,000,000)
Surplus of income over expenditure for the year		396,720,087
<b>Balance at 31 December 2008</b>		<b>549,653,126</b>

The accompanying notes form an integral part of these financial statements.



# Notes To The Financial Statements

## for the year ended 31 December 2008

### **1 General**

Telecommunications Regulatory Authority (“the Authority”) was established as an independent public authority, for the purpose of regulating the telecommunication sector in the United Arab Emirates (UAE), under Article (6) of Telecom Law (Federal Law by Decree No. 3 of 2003). The Authority is governed by Federal Law (Decree No. 3 of 2003 and its Executive Order). The registered office of the Authority is P.O Box 26662, Abu Dhabi, United Arab Emirates.

### **2 Restatement of prior year financial statements**

Information & Communication Technologies (ICT) fund (the “Fund”) was established as per resolution no. 1 of 2005 of the Supreme committee dated 3rd May 2005. The Fund’s key objective is to drive the strategic development of UAE information communication technology sector in order to strengthen the innovation and knowledge capital level of the market by providing research, education and entrepreneurial opportunities.

As per resolution by the Supreme committee, contributions to this Fund are made by Emirates Telecommunications Corporation (Etisalat) and Emirates Integrated Telecommunication Company PJSC (EITC) at 1% of their Annual Revenue.

The Fund previously was treated as a separate entity by the Authority due to which the amount contributed by licensees for the ICT Fund AED 214,314,070 and interest of AED 6,786,110 earned on fund’s deposits was stated as payable to the Fund and the expense incurred AED 8,025,165 was stated as receivable from the fund in prior year’s financial statements.

As per resolution no 27 of 2008 dated 8 October, 2008 issued by Authority’s Board of Directors, the income and expenditure of the Fund shall be included in the Authority’s income and expenditure respectively with effect from the financial year ending on 31 December 2008. Accordingly, the current financial statements have been prepared to incorporate the effect of this decision therefore the contribution, the interest earned on fund’s deposits and expense incurred are recognised in statement of income and expenditure in accordance with accounting policy defined in note 3 and prior year financial statements have been restated.

### **3 Significant accounting policies**

#### **3.1 Basis of preparation**

The financial statements have been prepared under the historical cost basis and presented in United Arab Emirates Dirhams (“AED”), which is the functional currency of the Authority.

These financial statements have been prepared using policies established by the Board of Directors and described below.

#### **3.2 Revenue recognition**

##### **License fees**

License fees are recognised as and when the license is granted, which is usually the agreement date.

##### **Spectrum fees**

Spectrum fees are recognised when the basis for these fees can be measured reliably, in accordance with the relevant agreements, and it is probable that the economic benefits associated with such fees will flow to the Authority.

### Numbering fees

Numbering fees are recognized on receipt of funds or on confirmation from the licensee regarding acceptance of final invoice.

### ICT funds contribution

Contributions from licensees are recognised one year in arrears.

### Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

### 3.3 Property, plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	over 5 years
Computer hardware and software	over 3 years
Furniture and fixtures	over 5 years
Frequency monitoring equipment	over 5 years
Office equipment	over 4 years
Vehicles	over 4 years

The carrying values of property, plant and equipment are reviewed for

impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount being the higher of their fair value less costs to sell and their value in use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income statement in the year the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively if appropriate.

Capital work in progress is recorded at cost which represents the contractual obligations of the Authority for the construction of the Head office building. Allocated costs directly attributable to the construction of the asset are capitalised. The capital work in progress is transferred to the appropriate asset category and depreciated in accordance with the Authority's policies when construction of the asset is completed and commissioned.

### 3.4 Account receivable

Accounts receivable are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

### 3.5 Employees' end of service benefits



The Authority provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service. The provision for end-of-service benefit for expatriate employees is made in accordance with the Authority's Human Resources policies, which is not less favorable than UAE Labour Law. For UAE national staff, the Authority makes a contribution to the UAE Federal Pension Scheme as per the rules of the Scheme.

### **3.6 Accounts payable and accruals**

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

### **3.7 Provisions**

Provisions are recognised when the Authority has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

### **3.8 Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measure in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

### **3.9 Cash and cash equivalents**

For the purpose of the statement of cash flows, the Authority considers all bank and cash balances and bank deposits with an original maturity of less than three months from the date of placement and other than those under lien, to be cash and cash equivalents.

### **3.10 Government grants**

Land granted by the government is recognised at nominal value where there is reasonable assurance that the land will be received and the Authority will comply with any attached conditions, where applicable.

### **3.11 Financial instruments**

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of bank and cash balances, trade and other receivables.

Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for doubtful amounts.

The principal financial liabilities, which consist of trade payables, are trade and other payables which are stated at their nominal value.

#### 4 Property, plant and equipment

	Leasehold Improvements AED	Computer Hardware AED	Furniture & Fixtures AED	Office Equipment AED	Frequency Monitoring Equipment AED	Vehicles AED	Capital Work-in Progress AED	Total AED
<b>2008</b>								
<b>Cost:</b>								
At 1 January 2008	4,846,956	7,336,850	2,987,814	585,792	6,200	227,650	2,592,932	18,584,194
Additions	1,050,348	11,211,551	425,250	1,751,847	7,437,622	127,000	9,332,154	31,335,772
Disposals	(93,260)	(13,800)	—	(117,355)	—	(76,300)	—	(300,715)
<b>At 31 December 2008</b>	<b>5,804,044</b>	<b>18,534,601</b>	<b>3,413,064</b>	<b>2,220,284</b>	<b>7,443,822</b>	<b>278,350</b>	<b>11,925,086</b>	<b>49,619,251</b>
<b>Depreciation:</b>								
At 1 January 2008	884,199	2,965,728	312,393	213,172	1,550	118,421	—	4,495,463
Depreciation charge for the year	1,039,797	4,666,387	662,163	363,660	745,002	57,969	—	7,534,978
Disposals	(66,209)	(7,219)	—	(91,010)	—	(61,994)	—	(226,432)
<b>At 31 December 2008</b>	<b>1,857,787</b>	<b>7,624,896</b>	<b>974,556</b>	<b>485,822</b>	<b>746,552</b>	<b>114,396</b>	<b>—</b>	<b>11,804,009</b>
<b>Net Carrying amount at 31 Dec 2008</b>	<b>3,946,257</b>	<b>10,909,705</b>	<b>2,438,508</b>	<b>1,734,462</b>	<b>6,697,270</b>	<b>163,954</b>	<b>11,925,086</b>	<b>37,815,242</b>
<b>2007</b>								
<b>Cost:</b>								
At 1 January 2007	1,443,946	3,868,943	576,705	305,472	6,200	148,450	—	6,349,716
Additions	3,403,010	3,467,907	2,411,109	280,320	—	79,200	2,592,932	12,234,478
<b>At 31 December 2007</b>	<b>4,846,956</b>	<b>7,336,850</b>	<b>2,987,814</b>	<b>585,792</b>	<b>6,200</b>	<b>227,650</b>	<b>2,592,932</b>	<b>18,584,194</b>
<b>Depreciation:</b>								
At 1 January 2007	446,419	1,381,461	118,877	107,901	310	61,508	—	2,116,476
Depreciation charge for the year	437,780	1,584,267	193,516	105,271	1,240	56,913	—	2,378,987
<b>At 31 December 2007</b>	<b>884,199</b>	<b>2,965,728</b>	<b>312,393</b>	<b>213,172</b>	<b>1,550</b>	<b>118,421</b>	<b>—</b>	<b>4,495,463</b>
<b>Net Carrying amount at 31 Dec 2007</b>	<b>3,962,757</b>	<b>4,371,122</b>	<b>2,675,421</b>	<b>372,620</b>	<b>4,650</b>	<b>109,229</b>	<b>2,592,932</b>	<b>14,088,731</b>

Property, plant and equipment include plots of land granted by the Government of Abu Dhabi and Government of Dubai on which the Authority has the intention to build its head office premises. The land is accounted at a nominal value of AED 1 each.

### 5 Long term receivables

This represents initial license fee and spectrum charges receivable from Emirates Integrated Telecommunication Company in installments as per the resolution no 11 year 2006 of the Supreme Committee for the Supervision of the Telecommunication Sector.

The receivable due are as follows:

	<b>2008 AED</b>	<b>2007 AED</b>
Initial license fee	49,800,000	87,150,000
Annual spectrum fees	80,299,097	84,238,577
	130,099,097	171,388,577
Less: current portion (note 7)	(130,099,097)	(37,350,000)
	—	<b>134,038,577</b>

### 6 Trade and other receivables

	<b>2008 AED</b>	<b>2007 AED</b>
Trade receivables	132,535,656	134,814,816
Advances to subcontractor	24,770,126	4,378,674
Other receivables	5,074,363	5,568,106
	<b>162,380,145</b>	<b>144,761,596</b>

The above trade and other receivables include an amount of AED 130,099,097 (2007 - AED 134,814,816) receivable from Emirates Integrated Telecommunications Company.

### 7 Bank balances and cash

	<b>2008 AED</b>	<b>2007 AED</b>
Cash in hand	25,259	16,259
Bank balances	1,617,990	118,152
Fixed deposits	413,550,000	795,013,029
	415,193,249	795,147,440
Less: Fixed deposits maturing after three months	—	(197,146,200)
	<b>415,193,249</b>	<b>598,001,240</b>

The fixed deposits were placed with a local bank in the United Arab Emirates. The deposit earns interest at a range of 5% to 6.5%.

**8 Provision for end of service benefit**

	<b>2008 AED</b>	<b>2007 AED</b>
At 1 January	572,961	319,939
Charge during the year	822,448	368,711
Paid during the year	(166,924)	(115,689)
<b>At 31 December</b>	<b>1,228,485</b>	<b>572,961</b>

**9 Trade and other payables**

	<b>2008 AED</b>	<b>2007 AED</b>
Trade payables	16,635,532	6,565,693
Accrued liabilities	18,401,037	7,173,723
ICT fund's contribution received in advance	36,121,995	228,019,071
	<b>71,158,564</b>	<b>241,758,487</b>

ICT funds received in advance represent funds received on behalf of Information & Communication Technologies Fund. This Fund was established to serve the telecommunication sector in the UAE to support the scientific research and development. The funds received will be transferred to the revenue as per the accounting policy of Authority.

**10 Licenses and authorisation**

	<b>2008 AED</b>	<b>2007 AED</b>
License fee	2,000,000	2,000,000
Spectrum and other license fees	201,355,867	226,768,905
Numbering fees	97,616,665	133,028,153
Sale of domain names	1,977,150	—
Application fee	1,372,555	1,772,836
Registration fee	1,011,954	70,945
Fines and penalties	400,000	300,000
	<b>305,734,191</b>	<b>363,940,839</b>

Numbering fees include an amount of AED 18,173,371 (2007: AED 61,554,744) pertaining to the numbering resources issued by the Authority in the prior year.

## 11 Staff Cost

Staff cost includes the following:

	<b>2008 AED</b>	<b>2007 AED</b>
Wages and salaries	36,363,103	17,855,389
Employees' end of service benefits	813,960	366,076
Other benefits	15,908,411	14,882,651
	<b>53,085,474</b>	<b>33,104,116</b>

## 12 Financial Risk Management Objectives And Policies

The Authority's financial liabilities are trade payables. The main purpose of these financial liabilities is to raise finance for the Authority's operations. The Authority has various financial assets such as accounts receivable and cash and cash equivalents which arise directly from its operations.

The Authority does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

The main risks arising from the Authority's financial instruments are credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

### Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Authority, and arises principally from the Authority's trade and other receivables and bank balances. The Authority's receivables mainly include amounts due from Emirates Integrated Telecommunications Company in year 2006 and 2007. The Authority's management does not consider that this significant concentration is a credit risk. Balances with banks were assessed to have low credit risk.

The amount that best represents its maximum credit risk exposure at the balance sheet date, in the event counter parties fail to perform their obligations under financial instruments generally approximates their carrying value. Trade and other receivables and balances with banks are not secured by any collateral.

### Liquidity risk

The Authority has no significant exposure to liquidity risk.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Authority does not have any interest bearing liability therefore it is not exposed to interest rate risk.

### Currency risk

The Authority has no significant exposure to currency risk.

### Fair values

The fair values of financial assets and liabilities are not materially different from their carrying values at the balance sheet date.

## 13 Commitments

	<b>2008 AED</b>	<b>2007 AED</b>
Payable within 1 year	11,188,125	10,765,882
Payable after 1 year but not later than 5 years	11,747,531	22,935,656
	<b>22,935,656</b>	<b>33,701,538</b>

# Regulations and Resolutions



## Regulations

- **Marketing Communications and Practices Policy:** Regulations on Marketing Communications and Practices (3 January 2008)
- **Regulatory Instruments Designations:** Description on the TRA Regulatory Instrument Designations (3 February 2008).
- **Regulatory Policy:** Internet Access Management (29 July 2008).

## Resolutions

- **Cabinet Resolution No. (42/23) of 2008 Session No. (3),** regarding the Abolition of the Supreme Committee for the Supervision of the Telecommunication Sector and delegating its functions to the Board of Directors of the Telecommunications Regulatory Authority (TRA).
- **Ministerial Resolution No.(1) of 2008** regarding the issuance of Certification Service Provider Regulations
- **TRA Resolution No. (6) of 2008** regarding the Licensing Framework (23 July 2008).
- **TRA Resolution No. (7) of 2008** regarding the Licensing Regulations (23 July 2008).





# Organization Structure

