



Office of the Director of
**Telecommunications
Regulation**

Discussion Paper

Levy on Providers of Telecommunications Services pursuant to Section 6 of the Telecommunications (Miscellaneous Provisions) Act, 1996

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Discussion Paper:
**Information concerning a levy on Providers of Telecommunications
Services pursuant to Section 6 of the
Telecommunications (Miscellaneous Provisions) Act, 1996 (the “Act”).**

1. Introduction

The position of Director of Telecommunications Regulation was established and conferred with statutory powers with effect from 30 June 1997. The Director is the National Regulatory Authority for the Irish Market for the purpose of ER and Irish law.

Under Section 6 of the Telecommunications (Miscellaneous Provisions) Act, 1996, the Director may make an order (“levy order”) imposing a levy on providers of telecommunications services for:

- meeting expenses properly incurred by the Director in the discharge of her functions under the Act, and
- enabling the Minister to pay contributions or other memberships charges to international telecommunications organisations.

2. Operation of the levy

The Director proposes to make a levy order in the near future. It will be structured as follows:

- For service providers whose annual relevant turnover exceeds IR£½ million, the levy will be calculated as 1/5 % (one fifth of one percent) of the preceding financial years’ relevant turnover.
- For service providers whose annual relevant turnover is less than IR£½ million, the levy will be £800 per annum.

It is intended that the levy will be payable quarterly in advance.

Relevant turnover for the purposes of the above calculation will be the gross revenue, excluding value added tax, paid to the telecommunications service provider in respect of telecommunications service provided by the telecommunications service provider.

3. Persons and Organisations liable to the levy.

The levy will be payable by:

- All persons or organisations licensed under Section 111 of the Postal and Telecommunications Services Act, 1983, as amended and adopted.
- Telecom Eireann.

4. Information to be supplied annual by Service Providers.

Service providers will be required to submit annual audited certificates of relevant turnover and annual financial statements to the Office of the Director. Such information will be treated on a confidential basis.

5. Rebates for Excess Levy

In the event that the amount collected by way of the levy order in a particular year exceeds the amounts required to meet the purposes described in paragraph 1 above, it is intended that any such surplus will be refunded to the levy payers.

This refund process would operate by way of annual rebate. The rebate paid to each service provider would be calculated on the basis of the proportion of moneys paid by that service provider by way of levy.

6. Penalties

Under Section 13 of the Act, it is an offence to fail to pay the levy imposed pursuant to Section 6, or to fail to provide to the Director any information necessary for the exercise of her functions under the Act.

7. Conclusion

Interested parties are requested to send their comments to the Director, to arrive at this Office by 5th January 1998, to the following address:

FAO: Niall Norton, Financial Controller,
Office of the Director of Telecommunications Regulation,
Abbey Court,
Irish Life Centre,
Lower Abbey Street,
Dublin 1

[Note: This discussion paper is not a legal document and does not constitute legal advice, and the Director is not bound by it. Its purpose is to provide information on what the Director is proposing to do in exercise of her statutory functions, and to give person/organisations which will be liable to pay the levy to be imposed under Section 6 of the Act the opportunity of commenting on the Directors proposals. All such comments will be taken into consideration by the 'Director before she makes the levy order. The Contents of this discussion paper are without prejudice to the legal position of the Director or her rights and duties under the relevant legislation.]

8th December, 1997.

ENDS