



**NTRC**

NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION

**ANNUAL REPORT 2017**

# About Cover Photo

This photo shows the Chairman of the NTRC Mr. St. Clair Scott (middle) and the winners of the Mobile Applications Open Category of our Fifth Annual i2 Competition Grand Finale and Prize Giving Ceremony which took place at the Kingstown Methodist Church Hall on November 15, 2017. The team shown is LX2, Jana Lewis (Left) and Terbry Lewis (right).

Presentations were also made on ideas and mobile applications in our Secondary Categories. The aim of our competition was to provide the foundation for innovation by giving participants a forum to create great inspiring ideas that could revolutionize the Vincentian Society.

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## 1. Mission Statement

To monitor efficiently, the operations of Telecommunications Services under the laws of St. Vincent and the Grenadines whilst providing an open market to all Telecommunications Providers, ensuring fair treatment for consumers and providing Universal Service to all.

## 2. Vision Statement

To ensure that the demand for existing and future Telecommunications Services is met, in order to support economic growth and diversification, by providing a suitable environment for the tourism, information and financial sectors through a liberalized and competitive Telecommunications environment.

## 3. Functions

The National Telecommunications Regulatory Commission (NTRC) in collaboration with the Eastern Caribbean Telecommunications Authority (ECTEL) is responsible for carrying out a variety of functions that are associated with regulating the Telecommunication Sector in St. Vincent and the Grenadines. These functions are outlined in detail in the Telecommunications Act (CAP 418) of the Revised Laws of St. Vincent and the Grenadines 2009.

## 4. The Commissioners



**Mr. St. Clair Scott**  
Chairman



**Mrs. Roxann Williams**  
Deputy Commissioner



**Dr. Alston Stoddard**  
Commissioner



**Mr. Richard MacLeish**  
Commissioner



**Mr. Petrus Gumbs**  
Commissioner

## 5. Staff Members





**Apollo Knights**  
Director



**Nadine Hull**  
ICT Manager



**Kyron Duncan**  
USF Administrator



**Mishka L. Quashie**  
Accountant



**Andra Keizer**  
Administrative  
Officer



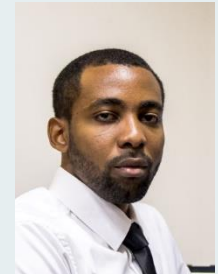
**Keisha Gurley**  
Consumer & Public  
Relations Manager



**Marcellus  
Constance Jr.**  
ICT Officer



**Shonden Baptiste**  
Executive  
Assistant



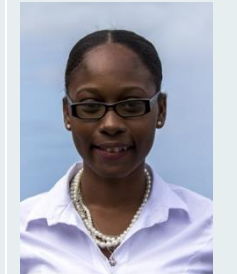
**Cyron Cyrus**  
Software Engineer



**Jori Thorne**  
Accounting Officer



**Eustasha Walter**  
Public Relations  
Officer



**Shadeja Gordon**  
Customer  
Experience Officer

# 6. SWOT Analysis

## Strengths

- Availability of ICT infrastructure and software to efficiently carry out the NTRC's regulatory functions.
- Diversity of relevant skills and experience among current staff members and Commissioners.
- A balanced combination of experienced staff alongside young, innovative and qualified interns.

## Weaknesses

- Inadequate price control mechanisms for dominant suppliers of services specifically in areas of mobile voice, Fixed Broadband and Cable TV retail rates.
- Lack of regulatory oversight on promotional activities of mobile service providers.
- Absence of Quality of Service (QoS) regulations in the sector. This is an urgent issue noting the current QoS

Issues being experienced by consumers of Fixed Broadband services.

- The inability of the current regulatory fee structure to maintain an adequate funding source for the regulatory system (ECTEL and the NTRCs) in the short term.
- Potential for churn of Commissioners and staff when considering the small staff complement of the NTRC and the resources expended on developing the regulatory and technical skills of both Commissioners and staff.

## Opportunities

- Ability to develop projects under the Universal Service Fund capable of reducing the current gaps that exist within our communities as it relates to data communication and knowledge sharing.

- Changes in technology and services being offered within the sector present a perfect opportunity for updating the Commission’s legislative framework.
- Certain project components of the Caribbean Regional Communications Infrastructure Program (CARCIP) project provide a great opportunity to bring the Grenadines broadband network on par with the mainland via the laying of a domestic subsea cable along with possibilities of fiber connectivity to the communities on both the mainland and the Grenadines.
- Issuing of renewal licences to major service providers in the market will allow for filling of some regulatory gaps.

## Threats

- Continued possibility of litigation from licencees.
- The issue of Cybercrime and Cyber Security is a threat facing not only the NTRC but our country and the region.
- The continued convergence of the ICT sector facilitated by IP technology which facilitates Over the Top Services (OTTs) that evade the Commission’s existing regulatory framework.
- Consolidation of service providers across the region is leading to a creation of new monopolies among certain services.

# 7. Critical Issues

Currently, there are three critical areas that need to be addressed in the sector:

## Cyber Security

The NTRC has continued to play its part in sensitizing the general public relating to matters of their security in cyber space. This has been done through the use of social media and our monthly ICT newsletters to share useful information on how they can protect their digital identity. Further, the NTRC has kept its ongoing partnership with the Ministry of Finance, Economic Planning, Sustainable Development and Information Technology to educate Vincentians on the Cybercrime Act 2016 through our town hall meetings which are held throughout St. Vincent and the Grenadines.

Our collaboration with the St. Vincent and the Grenadines Community College (SVGCC) is ongoing and offers Vincentians an Associate Degree program in Cyber Security.

In December 2017, the NTRC also partnered with the Internet Society, St. Vincent and the Grenadines Chapter to host St. Vincent and the Grenadines' first National Cyber Security Symposium. This symposium brought together members from the public and private sector to make them better equipped in areas such as security and privacy, incident management, risk management and network resilience. Following the symposium, a subset of the symposium attendees inclusive of NTRC representatives, formed a group that will work on the development of a framework for a Computer Security Incident

Response Team (CSIRT). The NTRC believes that a CSIRT is needed to serve as the focal point to address the cyber security issues that are of increasing frequency in recent times and which are targeting both local businesses and individuals.

## **Broadcast Standards**

In the absence of broadcast legislation or content/programming provisions within the new Electronic Communications Bill, the Government should look at alternative mechanisms, such as, agreements with the licencees to address issues such as local content and programming schedules.

## Broadband Penetration Level

It is critical that as a country, focus is geared towards an increase in the penetration levels of broadband access to consumers, if the country is expected to compete on the global market in any serious fashion, irrespective of the sectors targeted. Broadband is now seen as an essential service globally that is comparable to that of electricity, telephone and water for which St. Vincent and the Grenadines is well into 90% penetration at the household level, but is just about half at 52% at the household level for broadband. A penetration rate at about 50% in electricity and water today is unimaginable. Our NTRC developed a draft National Broadband plan in 2016. With funding assistance from the CARCIP project the NTRC in collaboration with the Ministry of Finance, Economic Planning, Sustainable Development and Information Technology along side a World Bank Consultant

conducted public consultations on the draft plan throughout the nation in the first quarter of 2017. With feedback from the consultations the final draft of the plan was completed in June 2017. It is the expectation of the NTRC that the final draft of the Broadband Plan be taken to Cabinet in 2018 for adoption and execution. One of the main components of the Broadband plan is to bring broadband penetration levels above 90% by 2023.

# 8. Sector Review

## Financial Data Review

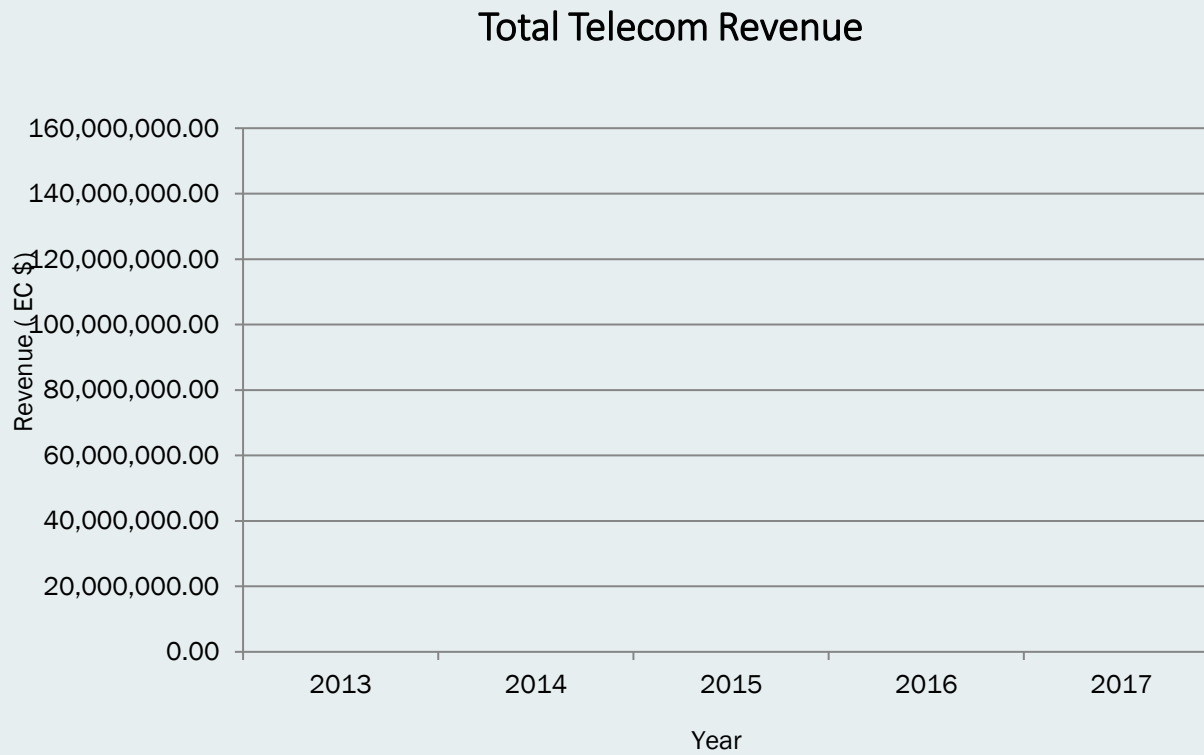
### Telecommunications Sector Revenue

Year	Cable and Wireless (SVG) Ltd								Digicel St. Vincent Ltd				
	Mobile Revenue (EC\$)			Fixed Line Revenue (EC\$)		Internet Revenue (EC\$)	Other Revenue (EC\$)	Total	Mobile Revenue (EC\$)		Data Revenue (EC\$)	Other Revenue (EC\$)	Total
	International Revenue (EC\$)	Domestic Revenue (EC\$)	Data	International Revenue (EC\$)	Domestic Revenue (EC\$)				International Revenue (EC\$)	Domestic Revenue (EC\$)			
2012	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
2013	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
2014	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
2015	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
2016	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
2017	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx

TABLE 1 TOTAL REVENUE EARNED BY PROVIDERS OF TELECOMMUNICATIONS SERVICES FROM 2012 TO 2017

Year	Kelcom Int'l (Columbus Communications)						Silvakast
	Fixed Line Revenue (EC\$)		Cable TV Revenue (EC\$)	Internet Revenue (EC\$)	Other Revenue (EC\$)	Total	Cable TV Revenue (EC\$)
	International Revenue (EC\$)	Domestic Revenue (EC\$)					
2012	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
2013	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
2014	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
2015	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
2016	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
2017	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx

TABLE 2 TOTAL REVENUE EARNED BY PROVIDERS OF TELECOMMUNICATIONS SERVICES FROM 2012 TO 2017



TELECOM REVENUE EARNED BY THE PROVIDERS FROM 2012-2017

FIGURE 1

### Revenue of the NTRC and ECTEL for the period 2002 to 2017

Frequency fees are shared between the NTRC and the ECTEL. There was a reduction of 18% for frequency fees collected in 2017. This is because there were fees due to be collected in 2017 which were not settled by the year-end. These amounted to \$504,150.00. If these fees were collected, the total collection for 2017 would have been \$2,730,712 which is an increase of 0.8% over the 2016 collection. These fees are expected to be collected within the 1st quarter of 2018. For application fees, in 2017, there was a reduction of 11% compared to 2016 as we had received applications for Individual licenses in 2016 but none in 2017.

Year	NTRC Application fees	Percent increase	NTRC & ECTEL Frequency Fees	Percent increase
<b>2002</b>	\$107,036		\$607,600	
<b>2003</b>	\$5,100	-95%	\$1,366,604	125%
<b>2004</b>	\$8,800	73%	\$1,577,400	15%
<b>2005</b>	\$10,300	17%	\$1,539,669	-2%
<b>2006</b>	\$11,275	9%	\$1,681,560	9%
<b>2007</b>	\$22,725	101%	\$1,245,183	-25%
<b>2008</b>	\$13,325	-42%	\$1,906,089	53%
<b>2009</b>	\$13,225	-7%	\$1,487,390	-21%
<b>2010</b>	\$23,846	80%	\$1,392,962	-7%
<b>2011</b>	\$16,109	-48%	\$1,723,158	24%
<b>2012</b>	\$16,390	2%	\$2,055,433	19%
<b>2013</b>	\$15,927	-3%	\$1,787,020	-13%
<b>2014</b>	\$31,547	98%	\$1,748,588	-2%
<b>2015</b>	\$25,617	-18%	\$2,681,489	53%
<b>2016</b>	\$25,324	-1%	\$2,708,686	1%
<b>2017</b>	\$22,473	-11%	\$2,226,562	-18%

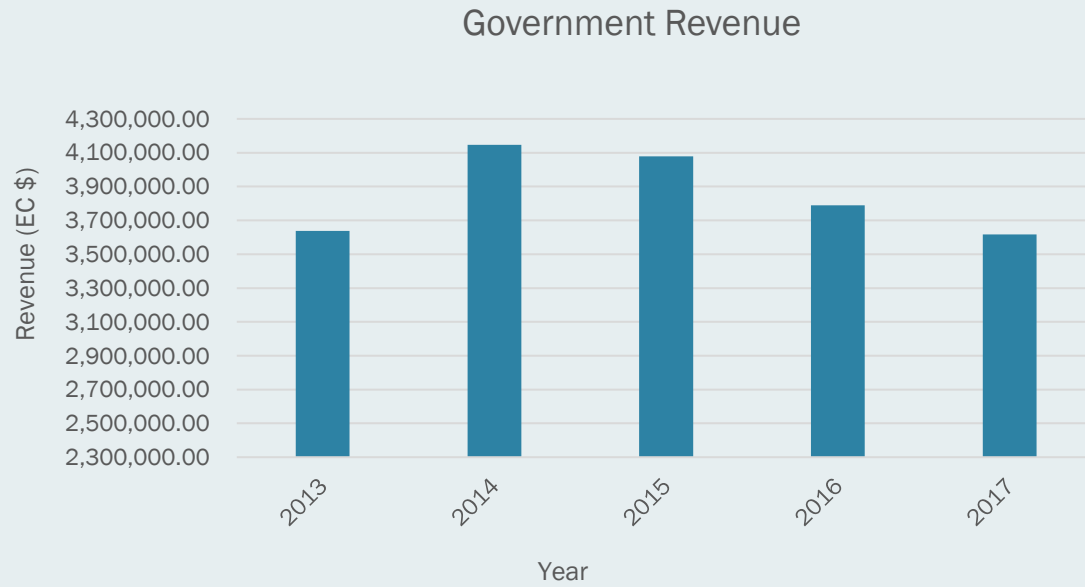
TABLE 3

**Licence fees received by the Government for the period 2002 to 2017**

There was a 5% decrease in revenue for licence fees collected by the NTRC on behalf of the Government in 2017 compared to 2016. This is mainly due to a decline in two of the Telecommunications Providers' revenue.

Year	License Fees	Total	Percent Increase
<b>2002</b>	3,365,391	3,365,391	
<b>2003</b>	2,803,927	2,803,927	-17%
<b>2004</b>	3,329,145	3,329,145	19%
<b>2005</b>	3,421,159	3,421,159	3%
<b>2006</b>	3,850,955	3,850,955	5%
<b>2007</b>	4,301,521	4,301,521	11%
<b>2008</b>	4,081,151	4,081,151	-6%
<b>2009</b>	4,065,706	4,065,706	-4%
<b>2010</b>	4,034,096	4,034,096	-1%
<b>2011</b>	3,886,912	3,886,912	-4%
<b>2012</b>	3,756,898	3,756,898	-3%
<b>2013</b>	3,638,128	3,638,128	-3%
<b>2014</b>	4,146,265	4,146,265	14%
<b>2015</b>	4,079,164	4,079,164	-1.6%
<b>2016</b>	3,788,925	3,788,925	-7%
<b>2017</b>	3,617,662	3,617,662	-5%

TABLE 4



Licence Fees collected from 2013 - 2017

FIGURE 2

## Financial Performance of the NTRC

### A. Revenue

The NTRC projected to receive \$1,330,825.00 for the year ending December 31, 2017. However, \$1,341,651.00 was received, which is \$10,826.00 more than the budgeted.

### B. Expenditure

#### i. Recurrent

For the year ending December 31, 2017, the NTRC projected to spend \$1,233,368.00 on recurrent expenditure; however, \$1,259,529.00 was actually spent. The Commission also accrued expenses for 2017 amounting to \$15,000 which included staff gratuities and electricity cost.

#### ii. Capital

The amount of \$118,540.86 was budgeted for capital expenditure for the financial year 2017. However, \$115,527.00 was spent which gives a difference of

\$3,211.00 due to price changes of items at the purchase date.

### Conclusion

The NTRC's financial performance over the 2017 financial year was satisfactory.

## Projected Revenue for 2018

For the fiscal year 2018, the NTRC is projected to collect \$3,780,485 in revenue from frequency fees. This is an increase of 34% or \$959,750 compared to the 2017 amount of \$2,820,735.00. This includes \$504,150 for the fees which were to be collected in 2017 and additional fees of \$357,000 for spectrum applications currently under review.

## Human Resource Development for 2017

The NTRC continues to expose its staff and Commissioners to relevant courses and seminars that would benefit the

organization both in the short and long term taking into account the limited resources available.

The particular areas covered during 2017 were as follows:

- Cisco Certified Network Associate (CCNA) Certification. This course was delivered online.
- BSc. Management Studies (Human Resource Management). This program is being done online via UWI Open Campus St. Vincent and the Grenadines.
- ACCA Professional Certification via Association of Chartered Certified Accountants (ACCA). This program is being done through ACCA in the United Kingdom.
- USTTI course: 17-244 Mobile Broadband: Addressing the 1000x Data Challenge sponsored by QUALCOMM Incorporated. This training was conducted in San Diego, California.
- USTTI course: 17-245: Mobile Broadband: Empowering People Business and Society sponsored by Ericsson. This training was conducted in Plano, Texas
- ITU Satellite Communication Workshop. This workshop was conducted in Grenada.

- Advanced Mobile Application Development – This program was conducted at the SVG Community College.

In addition, staff members were required to undertake specialised Coursera courses relevant to their NTRC duties.

## Regulations

The following regulation was Gazetted in 2017:

- Telecommunications (Universal Service Fund Contribution Order) Regulations S.R.O. #4 of 2017.

## Staff

In 2017 the following persons were recognized for their years of service to the organization:

- Mr. St. Clair Scott, Chairman for five (5) years of service
- Mr. Apollo Knights, Director for fifteen (15) years of service.
- Ms. Andra Keizer, Administrative Officer for (15) years of service
- Ms. Mishka Quashie, Accountant for ten (10) years of service.

Ms. Shonden Baptiste was appointed as the Executive Assistant in 2017. In addition, Mr. Javed Francis an intern from the SET programme who was assigned to the NTRC in 2017.

## Policy Development

The main policy work carried out during the year was finalizing the draft National Broadband Plan for St. Vincent and the Grenadines. This Plan is critical for establishing the requisite parameters on our country's mobile and fixed broadband networks and services that will meet the demands of our businesses and consumers for the next five years.

With the assistance of the World Bank via the CARCIP project, funding was obtained to hire a consultant to review and finalise the initial draft plan that was developed by the NTRC in 2016. The work of the consultant in 2017 targeted consumers in general. Five community consultations were held in the first quarter of 2017. Two of the community consultations were held in the Grenadines (Bequia and Canouan) noting the special

geographical limitations of this area for communications development.

It is the NTRC's expectation that the final draft of the National Broadband Plan will be taken to Cabinet in the second quarter of 2018 for adoption and implementation.

While it was envisioned to have the new electronic communications bill along with the list of subsidiary regulations in place in 2017 this did not materialize. ECTEL revised the draft bill and licence templates and has indicated that these changes would be approved at the next ECTEL Council of Ministers meeting in the first quarter of 2018. It is expected that the new regulatory framework for the sector would be recommended to member states in 2018 for enactment.

The NTRC have been working along with the National Emergency Management Organization (NEMO) in St. Vincent and the Grenadines as it relates to the establishment of an Emergency Communications Network for SVG. This project is

a World bank funded Regional Disaster Vulnerability Reduction Project for procuring a Digital Emergency Communications Network for NEMO. The project is now in the bidding stage for the supply and installation of a modern, state-of-the-art voice/data emergency communications network for use throughout SVG.

## Spectrum Management

The NTRC continued to conduct its weekly spectrum monitoring and management activities in the year 2017. Monitoring was mainly focused on St. Vincent, Bequia, Canouan and Union Island. Additionally, work was continued with ECTEL and other NTRCs to finalize the implementation of the new Integrated Spectrum Management and Monitoring System (ISMMS) that will be installed in 2018. The new ISMMS will provide advanced tools that will improve the management and monitoring of the spectrum resource in each ECTEL member state

During the third quarter of 2017, representatives of the NTRC enhanced their knowledge through an online course offered by the ITU for regulators within the Latin America and

Caribbean Region. The modules within this course dealt with the ITU and World Radio Conferences; Spectrum management and required engineering tools, Spectrum monitoring and enforcement systems for service evaluation. This course will positively impact the implementation of the ISMMS.

### Cellular Sites

The table below shows the number of cellular sites with 4G services in St. Vincent and the Grenadines.

Company	Location	Number of Cell Sites	Number of Cell Sites with 4G services
<b>Cable &amp; Wireless</b>	St. Vincent	32	32
	Grenadines	8	8
<b>Digicel</b>	St. Vincent	35	27
	Grenadines	12	8

The sites provide coverage to most of the populated areas on mainland St. Vincent, however, there is a need for better coverage on most of the Grenadines islands.

### Internet Access

As of December 2017, the total number of Fixed internet subscribers in St. Vincent and the Grenadines was twenty-three thousand, three hundred and seventeen (23,317). This figure shows a 5% increase over the number of subscribers in 2016. In 2017, the NTRC was unable to execute new projects under the Universal Service Fund but continued with ensuring our existing free Wi-Fi service was available throughout the country. These include all one hundred and seven schools, fourteen Learning Resource Centers, thirty Community centers and high traffic areas such as Heritage Square, the Cruise Ship Terminal and the Port Authority Recreational Facility. This is in addition to the maintenance of subsidized internet services to 340 households, internet services at all Clinics, Hospitals and Police Stations nationwide.

While no new projects were executed in 2017 the NTRC was able to facilitate Wi Fi service at the newly constructed Calliaqua Town Hall via a fiber optic solution.

## Public Consultation

The NTRC conducted a public consultation in 2017 on the Draft Mobile Electronic Communications (Roaming Services) Bill and Draft Mobile Electronic Communications (Roaming Services) Regulations. The aim of this consultation was to gather the views of stakeholders as it relates to the promotion of fair pricing and the use of cost-based pricing methods by the Telecommunications Providers in the ECTEL member states and also to recommend a regional cost-based pricing regime for the implementation by the ECTEL member states.

## Public Awareness

In 2017, the NTRC executed several public awareness initiatives.

1. Town Hall meetings  
Town hall meetings in Diamond, Richland Park, Calliaqua were cancelled due to the adverse weather

on the planned dates. On October 18, 2017 the Commission held a Town Hall meeting in Fitz Hughes where persons were educated on the Dispute Complaint Resolution process and were given demonstrations on how to complete the relevant forms along with the functions and work that the NTRC is engaged in.

2. Radio and Television presentations:  
These were conducted to inform the general public of the NTRC's MyApp Summer Program, the Fifth annual *Ĥ* competition and other events carried out by the NTRC during 2017.

3. Social Media campaigns  
In an effort to reach a wider audience, the Commission engaged the public on Facebook, Twitter and Instagram with information on our business and held several competitions on the social media networks to engage the public and to increase following.

#### 4. Career Fairs

In month of May 2017, the principal of the Kingstown Preparatory School invited the NTRC to share information on cybersecurity to their grade 6 students. Mr. Marcellus Constance the ICT Officer represented the NTRC at the event.

#### 5. Launching of the Vincy Prices App

On Thursday March 30, 2017 the Vincy Prices App, which allows consumers to compare prices of food items at the main supermarkets in SVG was launched at the Ministry of Foreign Affairs Conference Room. This app idea was put forward by the team ECU's from the St. Vincent Grammar School at the 2014  $\mathcal{P}^2$  competition. The mobile app was developed by the NTRC in collaboration with the Ministry of Foreign Affairs, Trade and Commerce.

#### 6. School Visits

In an effort to increase the number of entries for the Fifth annual  $\mathcal{P}^2$  competition, the public awareness committee visited eight (8) secondary schools that had not participated in the competition since inception. The presentations at the school events revolved around the NTRC's  $\mathcal{P}^2$  competition over the years, the different phases in the competition, how to register for the competition and the rewards from entering the competition.

#### 7. Fifth annual $\mathcal{P}^2$ competition

On September 7, 2017 the Commission launched the fifth annual  $\mathcal{P}^2$  competition. This competition was a forum that challenged students to develop and present projects in the form of Ideas and/or Mobile Applications from both the public and private sectors of St. Vincent and the Grenadines to facilitate the implementation of a new system or improve existing systems within those sectors.

The 2017 competition was restructured to obtain entries from the public for persons under the age of 35 years. Prior to

this, the competition only accepted entries from students who attended secondary, technical and tertiary schools across St. Vincent and the Grenadines. The 2017 competition consisted of two categories which included the Secondary Category and the Open Category.

In 2017, there was an increase in the number of entries for the competition. A record breaking number of fifty (50) entries were received compared to twenty-five (25) entries which were received for the 2016 competition.

The schools that entered the secondary level were Petit Bordel Secondary School, Mountain View Adventist Academy, Union Island Secondary School, St. Vincent Girls High School, St. Vincent Grammar School, Emmanuel High School Mesopotamia, Central Leeward Secondary School and the St. Joseph Convent Kingstown.

The Open Category saw participation from thirteen (13) teams from the public.

For the first time in the history of the competition, entries were received from the Emmanuel High School Mesopotamia and Central Leeward Secondary School. The finals of the competition concluded on November 15, 2017 at the Methodist Church Hall. The winners of the various categories of the competition were as follows:

- Secondary Mobile Application Category: "Astra" from the St. Vincent Grammar School.
- Secondary Idea Category: "PBSS Inventors" from the Petit Bordel Secondary School.
- Open Category: "NL2".

## **8. Broadband Plan Consultations**

The Ministry of Finance, Economic Planning, Sustainable Development and Information Technology

In collaboration with the National Telecommunications Regulatory Commission (NTRC) through the World Bank funded Caribbean Regional Communication Infrastructure Program (CARCIP) developed a draft National Broadband Plan for St. Vincent and the Grenadines that will cover the years 2017-2021. The plan was developed to address the critical gaps in broadband Internet as a means to stimulate private sector investment, innovation, affordable pricing, increase speeds and to improve quality of service for our citizens.

The Consultations were held to discuss the Government's intent to ensure nationwide access to reliable and affordable high speed broadband networks. The aim of the consultations was to gather feedback from the general public before the draft plan was finalized to incorporate the public feedback in the final plan. The consultations were held on the following dates and locations:

1. Layou - January 31, 2017
2. Georgetown - February 2, 2017

3. Canouan - February 7, 2017
4. Bequia - February 9, 2017
5. Kingstown - February 16, 2017.

### **9. NTRC' s 2017 MyApp Summer Program**

For the third consecutive year, the NTRC held its annual MyApp Summer program in 2017. Due to the positive feedback from the public an additional program was held in 2017. The first program was held in Petit from July 24, 2017 – August 25, 2017. The second program was in Union Island from July 24, 2017 – August 18, 2017. A total of Twenty (20) students attended each program. The objective of the NTRC's MyAPP Program is to teach participants between the ages of 13-18 who may or may not have previous exposure on how to code and design applications. The program introduced participants to ways in which they can portray their acquired skills in larger incentive forums, such as the annual NTRC's *i*<sup>2</sup> Competition. The 2017 program was made possible through sponsorship from the Bank of St. Vincent

and the Grenadines, Digicel, Cable & Wireless and the Caribbean Development Bank.

### **10. The Yearly Financial Assistance Program**

In 2017, the NTRC developed a yearly program where financial assistance was given to one Primary school student and one Secondary school student. Zion I Gordon from the Belmont Government School received an amount of \$500.00 and Jeremiah Bascombe of the Buccament Bay Secondary School received an amount of \$1,000.00. The program targeted those students attending schools in the rural areas as well as, the Grenadine Islands. A letter was sent out to the schools in the rural area for the principals to submit the names of students that would qualify for the assistance and the reason/s why they should be considered. A committee consisting of NTRC staff members met and went through the names and selected the most suitable students. The financial

assistance program will continue for the foreseeable future.

### **11. The ECTEL EC Bill Roadshow**

For the period May 17—18, 2017, ECTEL in collaboration with the NTRC hosted a roadshow in St. Vincent and the Grenadines. The roadshow was designed to further elaborate on the new suite of legislation that was developed by ECTEL which includes the Electronic Communications (EC) Bill. The Electronic Communication Bill is being proposed to replace the current Telecommunication Act.

The ECTEL team which comprised of the Managing Director Embert Charles, Director of Technical Services Andrew Millet and General Counsel Deborah Bowers met with several stakeholders. The ECTEL team met with the Cabinet of Ministers on May 17, 2017. Additionally, the team met with the Civil Society

Organization and the Telecommunications Service Providers on May 18, 2017.

## **12. The Civil Society Presentation Event**

The Internet Corporation for Assigned Names and Numbers (ICANN) collaborated with the National Telecommunications Regulatory Commission (NTRC) and held a Civil Society Presentation event on Tuesday, May 9, 2017 at the Frenches House Conference Room. The aim of the event was to increase the knowledge of how the internet is governed locally and globally and its impact and interrelationships across all sectors of the economy to its users and providers. The main sessions of the event focused on the summary and readout from ICANN 58 meeting that took place in Copenhagen, Denmark in March 2017.

## **13. The IXP signing ceremony**

On Thursday, November 30, 2017, the National Telecommunications Regulatory Commission (NTRC), hosted the signing of the Internet Exchange Point (IXP) agreements between Digicel and Flow at a ceremony held at the NTRC's Conference Room located on the second floor of the NIS Building, Kingstown, St. Vincent and the Grenadines

The IXP is important as it makes the internet better for consumers and without an IXP, all local internet traffic between customers on different ISP networks (e.g. Digicel and Flow) must leave St. Vincent and the Grenadines on one network and return on another network. With an IXP, local traffic on different networks no longer need to leave St. Vincent and the Grenadines, rather, it would be exchanged locally at the IXP.

In addition, sending traffic back and forth increases costs and latency, and so, having our own IXP is a boost and St. Vincent and the Grenadines can have benefits that can lead to a

more developed e-society and can urge the local ISPs to develop server farms to offer local hosting of websites and other cloud applications.

At the end of the ceremony, the CEOs of both Flow and Digicel signed a Memorandum of Understanding and Internet Exchange Point Governance Agreement. These documents outline the rules on how the IXP is managed and the rules on how traffic should be passed.

## Universal Service Fund

For the year ending December 31, 2017, the Universal Service Fund revenue collected was down by One Hundred and Forty Six Thousand, Eight Hundred and One Dollar (\$146,801) or Nine Percent (9%) of the budgeted amount of One Million, Five Hundred and Fifty Nine Thousand, Eight Hundred and Ninety Six Dollars (\$1,559,869). Interest income however, exceeded the budgeted amount of Two Thousand, Five Hundred Dollars (\$2500) by Five Thousand, Three Hundred and Seventy Three Dollars (\$5,373).

A total of seven projects are currently being funded under the Universal Service Fund. The NTRC did not seek to pursue any new projects in 2017 as the funds available were not sufficient to fund any new projects.

Additionally, the last of the seven projects being funded by the USF was commissioned. The Payphone Project, was commissioned in the month of January 2017. More details on the USF projects can be found in the 2017 USF Annual Report.

## Cable TV

With the growth of streaming options (IPTV) on the Internet coupled with affordability concerns by consumers it seems that growth in the Cable TV market is no longer a business proposition. This applies to both the existing provider in the market as well as two entities that were granted said licences over the last 5 years but have failed to deploy service to the

market. While the Direct TV licensee has seen some growth in 2017 it is marginal when compared to the overall market size.

## Statistics

The NTRC continued in 2017 with the provisioning of statistical data from the Telecommunications sector to a number of local, regional and international entities. The following graphs depict some of the more relevant information on the sector while Table 5 on page 36 gives a detailed overview of customer data supplied by the telecommunications providers.

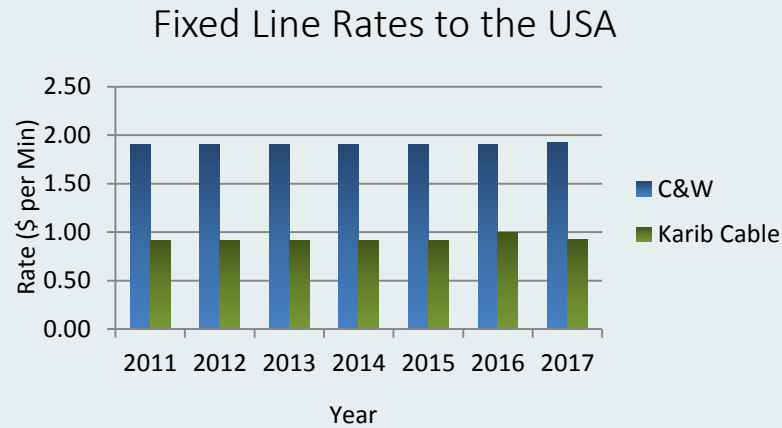


FIGURE 3

The rates depicted in Figure 3 are not regulated. Note that these rates have remained unchanged up to 2015. In 2017, we saw a decrease in their rates

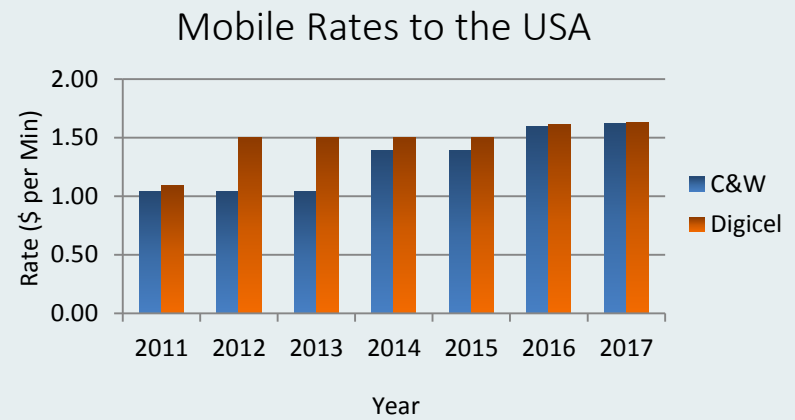
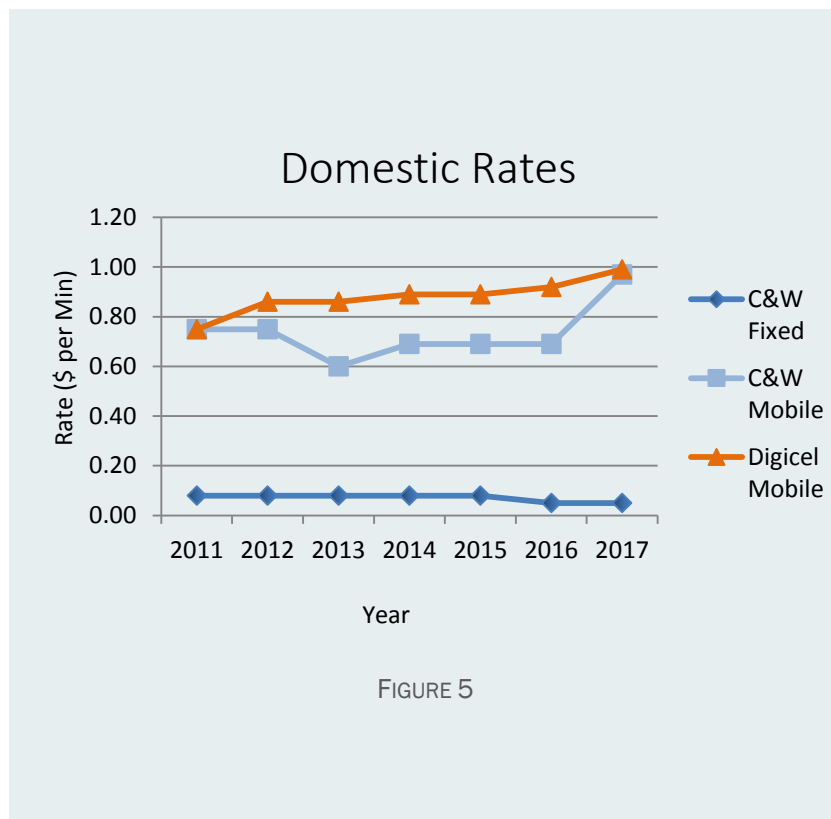
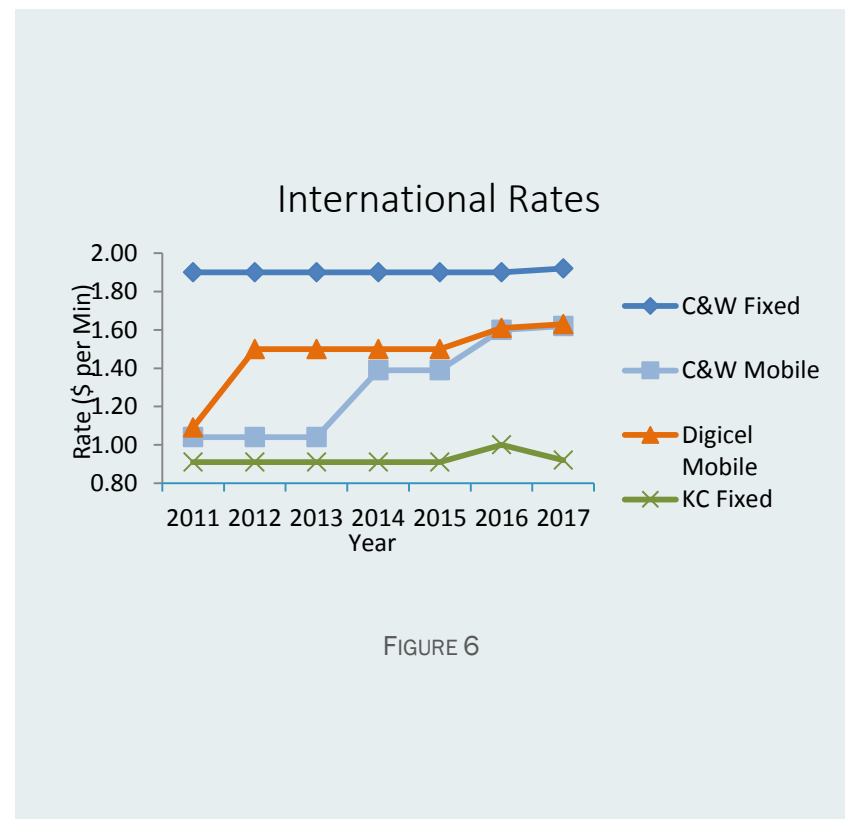


FIGURE 4

The rates depicted in Figure 4 are not regulated. We saw a slight increase to the rates in 2017.



The domestic rates in Figure 5 are the daytime rates for calls made to customers on the same network. From 2014 to 2015 there was no increase in mobile domestic rates for C&W or Digicel. However, Cable and Wireless' and Digicel's rates increased in 2016 and 2017 while Cable & Wireless' fixed line rates reduced.



The international rates in Figure 6 are the daytime rates for calls to the USA for all providers. Cable and Wireless and Digicel recorded an increase to their rates in 2017. However the rates for Karib Cable was reduced in 2017.

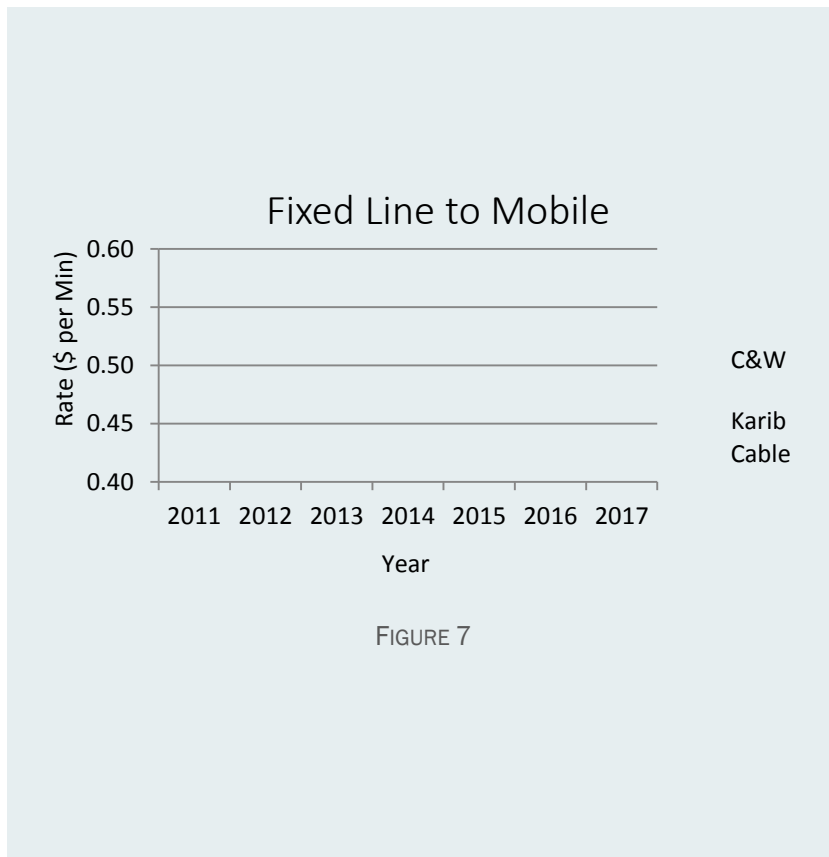


FIGURE 7

Figure 7 shows Cable & Wireless' and Karib Cable's fixed line to mobile rates for 2011 to 2017. The rates remained unchanged going forward from 2013 to 2015. However, Karib Cable recorded a decrease in 2017.

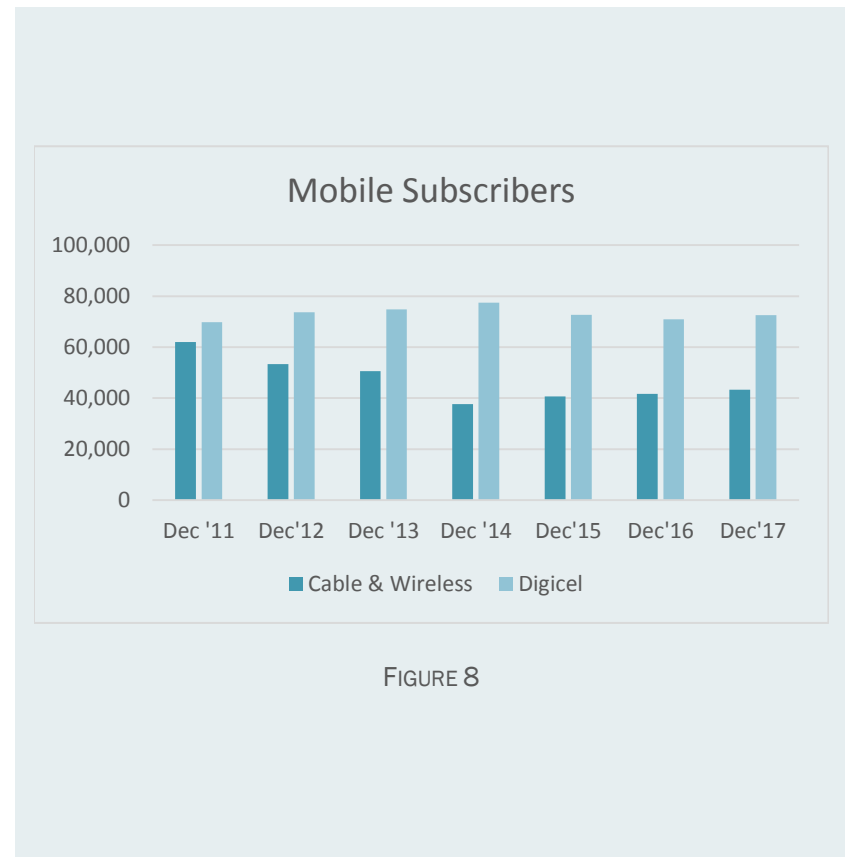


FIGURE 8

It is noted that Cable & Wireless' and Digicel's mobile subscribers slightly increased in 2017.

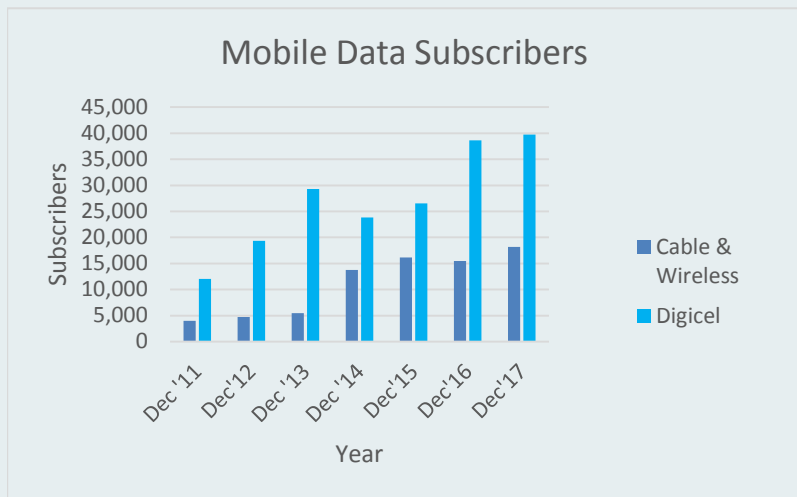


FIGURE 9

Figure 9 shows a comparison of the total Mobile Data Subscribers for Cable & Wireless and Digicel. We saw an increase to Cable and Wireless' and Digicel's data subscribers in 2017.

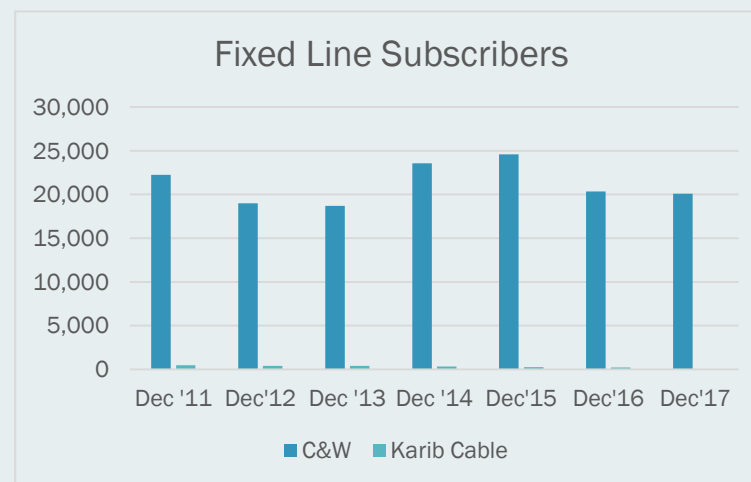


FIGURE 10

Figure 10 shows a comparison in Fixed Line Subscribers for Cable & Wireless and Karib Cable. In 2017, Cable & Wireless and Karib Cable recorded a decrease for the Fixed Line Subscribers.

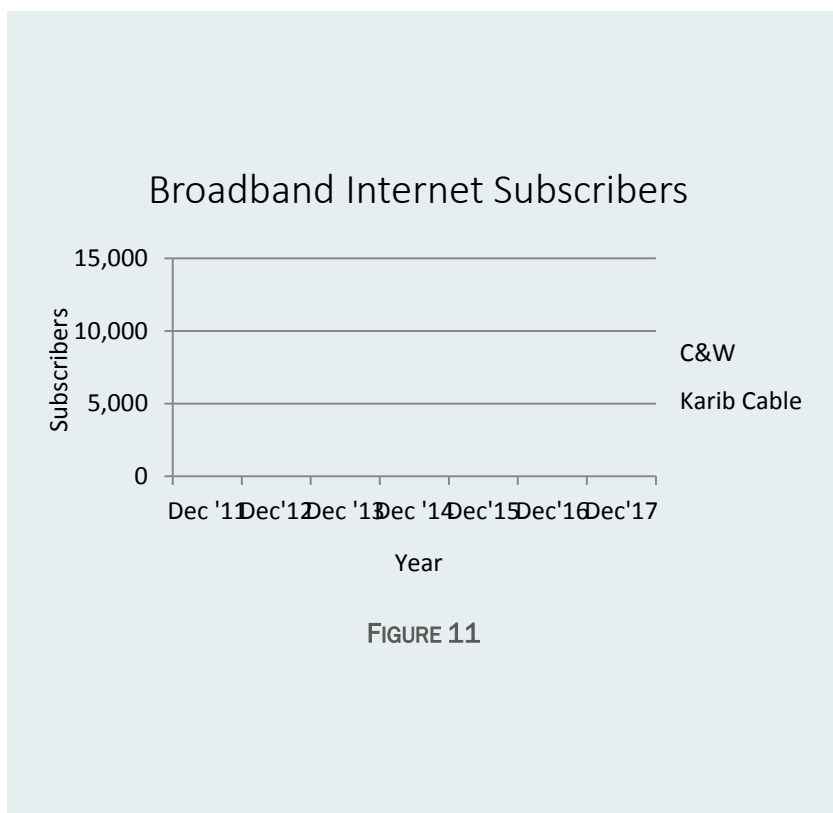


Figure 11 shows the number of Broadband Internet Subscribers per provider. Cable and Wireless experienced a slight decline in broadband subscribers in 2017, however there was an increase in broadband subscribers for Karib Cable within this year.

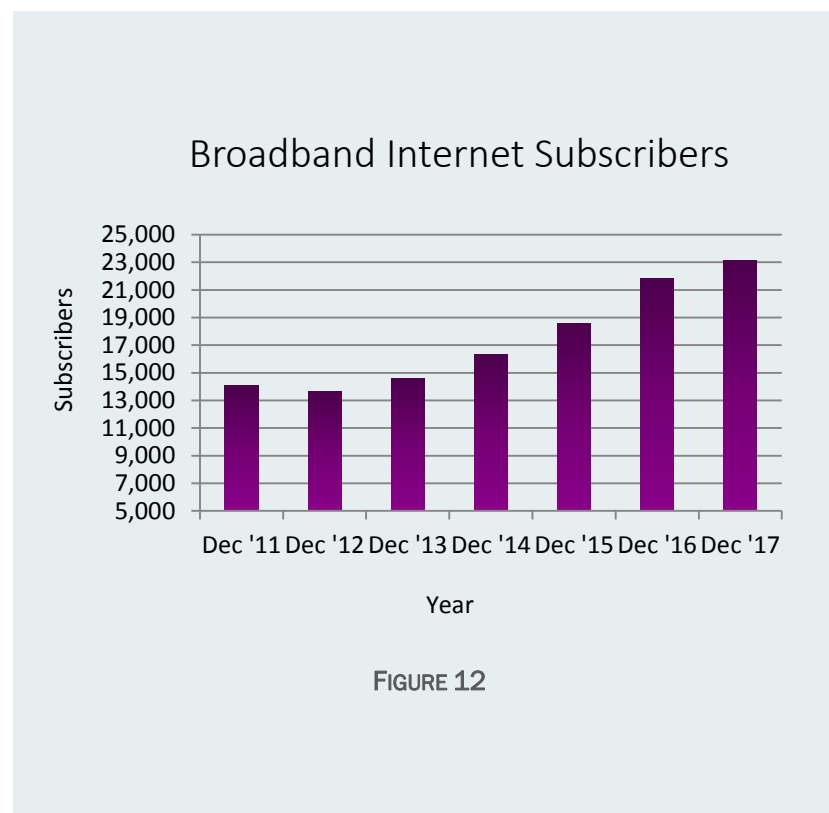


Figure 12 shows the number of Broadband Internet Subscribers from 2011 to 2017 on a whole. There has been a slight decline in 2012, however there has been an increase in the Broadband Internet Subscribers from 2013.

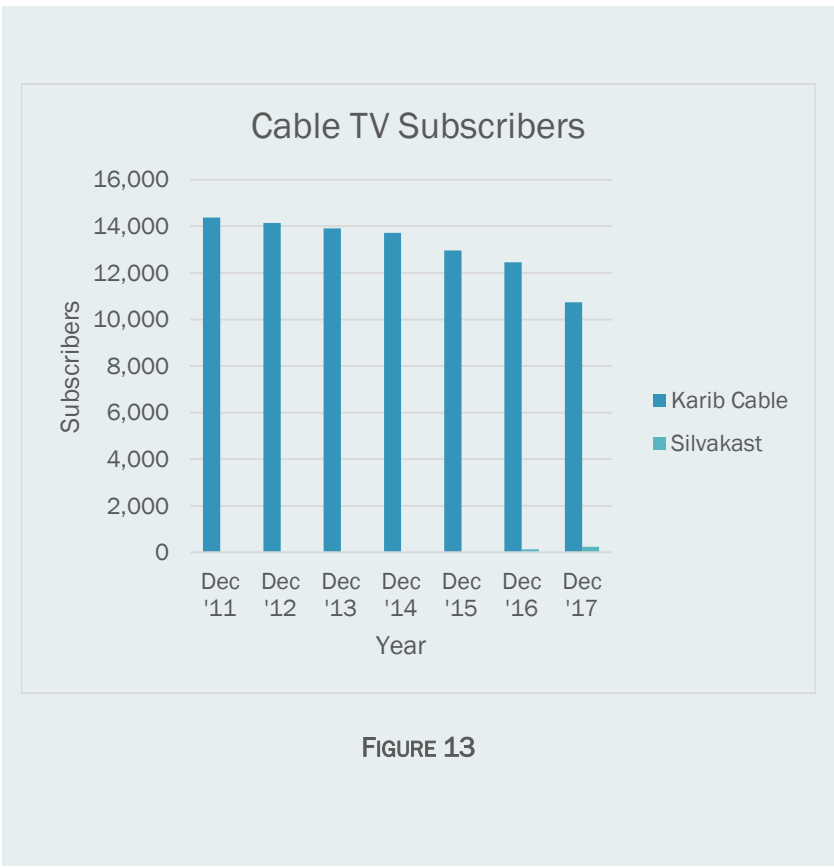


FIGURE 13

Figure 13 shows that Karib Cable (Columbus Communications) experienced a slight decrease in Cable TV subscribers in 2017 while Silvakast experienced a slight increase in Cable TV subscribers during 2017.

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Cable & Wireless (WI) Ltd	Fixed Line Subscribers	Residential	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
		Business	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
		<b>Total</b>	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
	Internet Subscribers	Dialup	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
		ISDN	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
		ADSL (Residential)	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
		ADSL (Business)	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
	<b>Total</b>	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	
	Mobile Subscribers	Post paid	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
		Prepaid	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
<b>Total</b>		xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	
Digicel	Mobile Subscribers	Post paid	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
		Prepaid	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
		<b>Total</b>	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
Karib Cable(Columbus Communications)	Cable TV Subscribers	Residential	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
		Business	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
		Free Service	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
		<b>Total</b>	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
	Internet Subscribers	Residential	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
		Business	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
		Free Service	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
		<b>Total</b>	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
	Fixed Line Subscribers	Residential	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
		Business	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
		Free Service	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
		<b>Total</b>	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
SilvaKast	Cable TV Subscribers	Residential	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	
		Business	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	
		<b>Total</b>											

Table 5 contains the Customer data submitted from the three Telecom Providers. The ISDN Internet Service for Cable & Wireless is no longer in use.

## Licensing

The NTRC continued in 2017 to facilitate the application process for new licences under the Telecommunications Act (CAP 418) of the Revised Laws of St. Vincent and the Grenadines 2009. Individual type applications were forwarded to ECTEL for evaluation while Class type applications were evaluated by the NTRC. The NTRC also evaluated and made recommendations to the Minister on a number of frequency applications.

		2010		2011		2012		2013		2014		2015		2016		2017	
		New	Renew	New	Renew	New	Renew	New	Renew	New	Renew	New	Renew	New	Renew	New	Renew
Individual Type Licenses	Fixed Public	1	N/A	1	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A
	Internet Networks	0	N/A	0	N/A	0	N/A	0	N/A	1	N/A	1	N/A	0	N/A	0	N/A
	Subscriber Television	2	N/A	1	N/A	0	N/A	1	N/A	1	N/A	1	N/A	1	N/A	1	N/A
	Int'l Simple Voice Resale	1	N/A	0	N/A	0	N/A	0	N/A	1	N/A	0	N/A	0	N/A	0	N/A
	Mobile Cellular	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A
	Public Radio paging	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A
	Submarine cable	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	1	1	1
Class type Licenses	Private network/services	1	N/A	1	N/A	1	N/A	0	N/A	0	N/A	1	1	1	1	1	1
	Internet services	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	2	1	1
	Radio Broadcast	8	N/A	1	N/A	0	N/A	0	3	1	5	1	6	1	7	1	8
	Value Added Services	0	N/A	0	N/A	0	N/A	0	N/A	1	N/A	1	N/A	0	0	0	0
	Community radio	0	N/A	0	N/A	0	2	0	N/A	0	N/A	1	1	2	3	2	4
	Television Broadcast	0	N/A	0	N/A	1	N/A	0	N/A	0	N/A	0	N/A	0	1	0	2
	Maritime mobile	0	19	3	42	4	67	35	31	35	31	1	16	1	26	3	44
	Land mobile	3	212	5	267	3	172	2	155	3	204	0	10	10	20	12	287
	Aeronautical radio	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0
	Aircraft station	1	16	2	17	2	17	4	17	3	17	1	18	1	17	1	18
	Amateur Radio station	36	36	38	60	27	80	25	84	26	82	8	47	20	20	23	14
	Citizen Band radio	0	5	0	1	0	1	0	0	0	0	2	3	0	0	0	0
	Family Radio Band	2	1	1	0	1	5	1	3	1	3	1	2	2	1	1	1
Ship Station	28	131	44	170	27	122	15	182	18	157	46	177	41	184	40	163	
Miscellaneous	CPE Dealers reg. fee	18	17	17	44	15	18	14	16	10	17	2	10	5	18	5	20
	Exam Fees for Radio Operators	0	N/A	2	N/A	0	N/A	1	N/A	1	N/A	0	N/A	0	N/A	0	N/A
	Type Approval fee		N/A	3	N/A	16	N/A	22	N/A	27	N/A	56	N/A	85	N/A	102	N/A
	Ship station Operators	25	32	17	55	25	9	27	7	29	21	17	40	16	28	18	30
	Aircraft Station Operators	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TABLE 5 Table 5 outlines the number of licences issued from 2010 to 2017. The issued licences are broken down as new licences, issued in the specific year, and renewals of existing licences, first issued in previous years.

## 9. Broad Response Strategies

As the Telecom/ICT Sector continues to function within a liberalized environment, the NTRC, in collaboration with ECTEL and the Government, has to respond to the requirements of a competitive sector so as to protect the interests of both the providers and the consumers and facilitate a relevant regulatory framework that will cater for the increased rate of change in the sector.

The NTRC has to operate within the harmonized framework of the ECTEL Treaty and the Telecommunications Act (CAP 418) of the Revised Laws of St. Vincent and the Grenadines 2009. Most of the objectives cannot be accomplished on our own due to the mandate given to ECTEL on certain issues.

However, the Universal Service Fund allows for some flexibility at the national level and the NTRC SVG has strategically utilized the available resources for maximum benefits via practical and needed projects that meet the needs of our citizens.

Recognizing the limitations outlined above, the NTRC aims to continue to work closely with ECTEL, the Ministry/Minister responsible for Telecommunications and relevant stakeholders to ensure that the telecommunications regulatory framework and other ICT initiatives robustly meet current and future demands.

## 10. Result Indicators 2017

1. To execute the 5<sup>th</sup> annual NTRC's  $\hat{r}^2$  Competition. There will be some changes to the competition this year which will include the addition of a new category to cater for non-students. To seek to increase participants in student category.

The competition was completed. The 2017 competition was restructured to obtain entries from the public. The 2017 competition consisted of two categories which included the Secondary Category and the Open Category. There was an increase in the number of entries for the competition from 25 to 50.

2. To seek international funding for two USF projects in collaboration with other NTRCs. This objective carries over from 2016.

This task is incomplete as the NTRC has worked along with the staff at the Ministry of Finance and the Ministry of Foreign Affairs for the majority of the year in an effort to source funding for these projects but we were not successful. The NTRC will however, make some adjustment to the scope of works and continue working along with the relevant Ministries in 2018 to seek the necessary funding for these projects.

3. Finalise the Draft National Broadband plan after public consultation process and seek approval from Cabinet for its adoption and execution.  
The Draft National Broadband plan was finalised after public consultation, however it is pending approval from Cabinet for its adoption and execution.

4. Continue work on Number Portability implementation in the ECTEL member states with the intention of having number portability available to customers in St. Vincent and the Grenadines by November 2017.

This objective was not achieved in 2017. Cable and Wireless indicated that network upgrades have delayed the process while Digicel has indicated that resources had to be redirected to Hurricane hit islands.

5. Working jointly with ECTEL and the Ministry of Finance, Economic Planning, Sustainable Development and Information Technology in having the new electronic communications bill and relevant subsidiary regulations enacted.

This is incomplete as ECTEL decided to make further adjustments to the draft EC bill in 2017. The NTRC will continue to work with ECTEL and the Ministry responsible for Telecommunications with the aim of having the new electronic communications bill and relevant regulations enacted in 2018.

6. Working jointly with the Ministry of Finance, Economic Planning, Sustainable Development and Information Technology in having new licences issued to Cable and Wireless and Columbus Communications.

This is incomplete as ECTEL did not complete the final licence templates in 2017. It is expected that these will be completed in 2018.

7. Launch the IOS version of the NTRC connect app.

This is incomplete as the NTRC encountered difficulties with incorporating the navigational features in the app. It is envisioned that the work will be completed in 2018.

8. Expand the MyApp program to cater for two summer events with one being held in the Grenadines.

This task is complete. The MyApp programs were held in Petit Bordel and Union Island. The program in Petit Bordel ran for the period July 24, 2017 – August 25, 2017. Whereas, the program in Union Island ran for the period July 24, 2017 – August 18, 2017.

# 11. Major Objectives for 2018

1. To execute the 6th annual NTRC's i2 Competition.
2. To seek international funding for USF projects.
3. To seek approval from Cabinet for the adoption and Execution of the National Broadband Plan that was finalized in 2017
4. Working jointly with the Ministry of Finance, Economic Planning, Sustainable Development and Information Technology, in having new licences issued to Cable and Wireless and Columbus Communications.
5. Working jointly with ECTEL and the Ministry of Finance, Economic Planning, Sustainable Development and Information Technology, in having the new electronic communications bill and relevant subsidiary regulations enacted.
6. Launch the IOS version of the NTRC connect app.
7. To update the Vincy prices app to include new and improved features.
8. To facilitate geospatial training, in collaboration with the World Bank and ITSD, on the OpenStreetMap (OSM) Platform which is a crowd-sourced open map, and open map data tool that is edited by volunteers worldwide.
9. To conduct a National ICT Survey in St. Vincent and the Grenadines on behalf of the Caribbean Regional Communication Infrastructure Program (CARCIP).

10. To work along with ECTEL and the other NTRC's to implement the Integrated Spectrum Management and Monitoring System

11. To host the 2018 myApp summer program in Bequia.

## 12. Annex A

### Technical Definitions/Terminology

**CANTO** Caribbean Association of National Telecommunication Organizations  
CANTO provides a platform for all Caribbean telecommunications operators to speak with one voice to policy makers, regulators and other stakeholders in the sector in influencing the creation of a favourable business environment for all stakeholders.

**CIDA** Canadian International Development Agency  
CIDA supports sustainable development in developing countries in order to reduce

poverty and to contribute to a more secure, equitable and prosperous world.

**CITEL** Inter-American Telecommunication Commission  
CITEL is an entity of the Organization of American States, it is the main forum in the hemisphere in which the governments and the private sector meet to coordinate regional efforts to develop the Global Information Society. CITEL endeavours to make telecommunications a catalyst for the dynamic development of the Americas by working with

governments and the private sector.

The US Agency for International Development

**Coursera** Coursera provides universal access to the world's best education, partnering with top universities and organizations to offer courses online. Every course on Coursera is taught by top instructors from the world's best universities and educational institutions. Courses include recorded video lectures, auto-graded and peer-reviewed assignments, and community

discussion forums. When you complete a course, you'll receive a sharable electronic Course Certificate.

**CTO Commonwealth Telecommunications Organization**

The (CTO) is a partnership between Commonwealth governments and telecommunications businesses to promote ICT in the interests of consumers, businesses and social and economic development. It's Program for Development and Training (PDT) is a unique program of training and expert assistance in every aspect of telecommunications for Commonwealth developing countries

**CTU Caribbean Telecommunications Union**

CTU is the major Telecommunications policy organ in the Region, directed by Inter-Governmental specialized action under a special Agreement establishing the Union.

**Frequency** The rate of a repetitive event. The standard unit for frequency is the hertz (Hz), defined as the number of events or cycles per second. The frequency of electrical signals is often measured in multiples of hertz, including kilohertz (kHz), megahertz (MHz), or gigahertz (GHz).

**GMDSS Global Maritime Distress and Safety System**

The GMDSS provides for automatic distress alerting and locating in cases where a radio operator doesn't have time to send an SOS or MAYDAY call.

**ITU International Telecommunication Union**

ITU works closely with all standards organizations to form an international uniform standards system for communication.

**Land Mobile** A mobile service between base stations and land mobile stations, or between land mobile stations

**Maritime Mobile** A mobile service between coast station and ship stations, or between ship stations, or between associated on-board communication stations; survival craft stations, and emergency position- Indicating radio beacon stations may also participate in this service

**MMSI Maritime Mobile Service Identity**

MMSI are formed of a series of nine digits which are transmitted over the radio path in order to uniquely identify ship stations, ship earth stations, coast stations, coast earth stations, and group calls. These identities are formed in such a way that the identity or part thereof can be used by telephone and telex customers connected to the general telecommunications network principally to call ships automatically.

**Radio frequency spectrum** That part of the electromagnetic Spectrum used for communications; includes frequencies used for AM- FM radio and cellular phones and television etc.

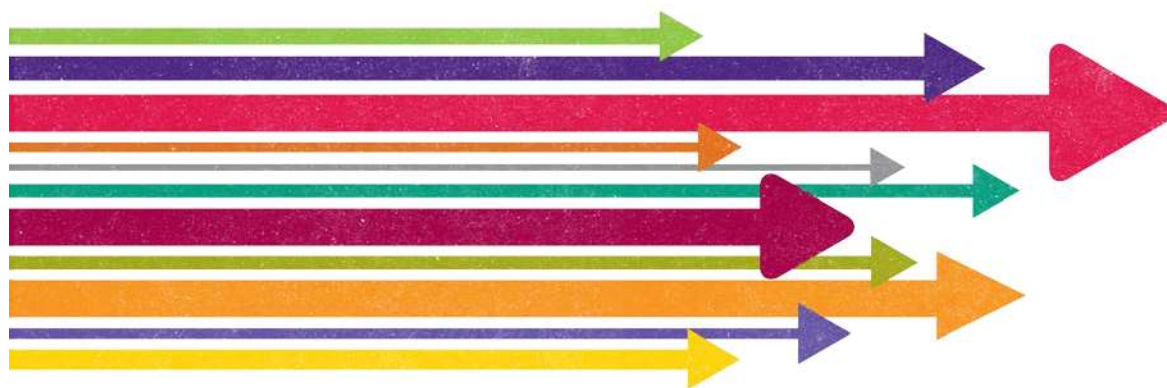
<b>Ship Station</b>	A Mobile station in the maritime mobile service Located on board a vessel which is not permanently moored, other than a survival craft station	<b>Universal Service</b>	universal service” includes the provision of – <ul style="list-style-type: none"> <li>a. Public voice telephony;</li> <li>b. Internet access;</li> <li>c. Telecommunications services to schools, hospitals and similar institutions and the disabled and physically challenged; or</li> <li>d. Other service by which people access efficient, affordable and modern telecommunications.</li> </ul>
<b>Spectrum</b>	“(Electromagnetic Spectrum) is an ordered array of the components of an emission or wave. Sound, Radio Frequency Spectrum, Infra-Red, Visible Light, Ultraviolet Rays, X-Ray etc. are all part of the Electromagnetic Spectrum in that order.		
<b>Stations</b>	One or more transmitters or receivers or a combination of transmitters and receivers, including the accessory equipment, necessary at one location for carrying on a radio communication service, or the radio astronomy service	<b>USAID</b>	
<b>Telecommunications</b>	Any transmission, emission or reception of signs, signals, writings, images and sounds or intelligence of any nature by wire, radio, optical or other electromagnetic systems.		

# 13. Annex B

## Audited Financial Statements 2017

# **National Telecommunications Regulatory Commission**

Financial Statements  
**Year Ended December 31, 2017**  
(in Eastern Caribbean dollars)



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<b>Page 5</b>	Statement of Changes in Accumulated Surplus
<b>Page 6</b>	Statement of Profit or Loss
<b>Page 7</b>	Statement of Cash Flows
<b>Pages 9 - 21</b>	Notes to the Financial Statements

# Corporate Information

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## REGISTERED OFFICE

2<sup>nd</sup> Floor National Insurance Services Building  
Upper Bay Street  
Kingstown  
St. Vincent and the Grenadines

## COMMISSIONERS

Mr. St. Clair Scott - Chairman  
Mrs. Roxann Williams - Deputy Chairperson  
Dr. Alston Stoddard - Commissioner  
Mr. Richard MacLeish - Commissioner  
Mr. Petrus Gumbs - Commissioner

## SECRETARY

Mr. Apollo Knights

## SOLICITOR

Joseph Delves

## BANKER

Bank of St. Vincent and the Grenadines Limited

## AUDITORS

Grant Thornton  
Chartered Accountants  
Sergeant-Jack Drive  
Arnos Vale  
St. Vincent



## INDEPENDENT AUDITORS' REPORT

To the Directors of  
National Telecommunications Regulatory Commission

**Grant Thornton**  
Sergeant-Jack Drive, Arnos Vale  
P.O. Box 35  
Kingstown, St. Vincent  
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F +1 784 456- 2184

### Report on the Audit of the Financial Statements

[www.grantthornton.lc](http://www.grantthornton.lc)

#### Opinion

We have audited the financial statements of **National Telecommunications Regulatory Commission**, which comprise the statement of financial position as at December 31, 2017, and the statement of changes in accumulated surplus, statement of profit or loss, and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **National Telecommunications Regulatory Commission** as at December 31, 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in St. Vincent and the Grenadines, and we have fulfilled our ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. "Reasonable assurance" is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

The Engagement Partner on the audit resulting in this independent auditors' report is Floyd A. Patterson.



February 21, 2018

# National Telecommunications Regulatory Commission


## Statement of Financial Position


As of December 31, 2017

(in Eastern Caribbean dollars)

	Notes	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	4,274,125	4,808,946
Trade and other receivables	8	3,058	6,160
Prepaid expenses		8,012	16,172
		<u>4,285,195</u>	<u>4,831,278</u>
Equipment	9	212,519	174,823
		<u>4,497,714</u>	<u>5,006,101</u>
<b>LIABILITIES AND ACCUMULATED SURPLUS</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	10	458,264	234,462
Deferred revenue – numbering fees	11	94,666	92,951
Due to Eastern Caribbean Telecommunication Authority	12	238,396	522,146
Due to the Government of St. Vincent and the Grenadines	13	2,694,989	2,988,441
		<u>3,486,315</u>	<u>3,838,000</u>
Universal Service Fund	14	924,490	1,072,311
		<u>4,410,805</u>	<u>4,910,311</u>
<b>ACCUMULATED SURPLUS</b>			
Accumulated surplus		86,909	95,790
		<u>4,497,714</u>	<u>5,006,101</u>

APPROVED ON BEHALF OF THE COMMISSION ON FEBRUARY 21, 2018.

  
St. Clair Scott  
Chairman

  
Roxann Williams  
Deputy Chairperson

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

# National Telecommunications Regulatory Commission

## Statement of Changes in Accumulated Surplus

### For the Year Ended December 31, 2017

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(in Eastern Caribbean dollars)

	Accumulated Surplus \$	Total \$
<b>Balance as of December 31, 2015</b>	130,898	130,898
Loss for the year	<u>(35,108)</u>	<u>(35,108)</u>
<b>Balance as of December 31, 2016</b>	95,790	95,790
Loss for the year	<u>(8,881)</u>	<u>(8,881)</u>
<b>Balance as of December 31, 2017</b>	<b><u>86,909</u></b>	<b><u>86,909</u></b>

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

# National Telecommunications Regulatory Commission

## Statement of Profit or Loss

For the Year Ended December 31, 2017

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(in Eastern Caribbean dollars)

	Notes	2017 \$	2016 \$
<b>Revenue</b>	15	<b>1,204,563</b>	1,118,566
<b>Other Income</b>		<b>32,295</b>	54,507
<b>Administrative Expenses</b>	16	<b>(1,278,251)</b>	(1,218,622)
<b>Results from Operations</b>		<b>(41,393)</b>	(45,549)
Interest income		<b>10,833</b>	13,094
Profit (loss) on disposal of equipment		<b>21,679</b>	(2,653)
<b>Profit (Loss) for the Year</b>		<b>(8,881)</b>	(35,108)

The following expense is included in the foregoing:-

Depreciation		57,509	47,559
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The accompanying notes form an integral part of these financial statements.

# National Telecommunications Regulatory Commission

## Statement of Cash Flows

For the Year Ended December 31, 2017

(in Eastern Caribbean dollars)

	Notes	2017 \$	2016 \$
<b>Cash Flows from Operating Activities</b>			
Loss for the year		(8,881)	(35,108)
<b>Adjustments:</b>			
Depreciation expense	9	57,509	47,559
Interest income		(10,833)	(13,094)
(Profit) loss on disposal of equipment		(21,679)	2,652
<b>Profit before Working Capital Changes</b>		<b>16,116</b>	<b>2,009</b>
Decrease in trade and other receivables		3,102	31,693
Decrease (increase) in prepaid expenses		8,160	(13,395)
Increase in deferred revenue – numbering fees		1,715	9,562
Increase in accounts payable and accrued liabilities		223,802	86,523
<b>Cash Generated from Operations</b>		<b>252,895</b>	<b>116,392</b>
Interest received		10,833	13,094
<b>Net Cash from Operating Activities</b>		<b>263,728</b>	<b>129,486</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sale of equipment		42,000	0
Acquisition of equipment	9	(115,526)	(29,143)
<b>Net Cash Used in Investing Activities</b>		<b>(73,526)</b>	<b>(29,143)</b>
<b>Cash Flows from Financing Activities</b>			
Decrease in Universal Service Fund		(147,821)	(255,750)
(Decrease) increase in due to the Government of St Vincent and the Grenadines		(293,452)	2,940,475
(Decrease) increase in due to Eastern Caribbean Telecommunications Authority		(283,750)	79,398
<b>Net Cash (Used in) Generated from Financing Activities</b>		<b>(725,023)</b>	<b>2,764,123</b>
<b>Net Change in Cash and Cash Equivalents</b>		<b>(534,821)</b>	<b>2,864,466</b>
<b>Cash and Cash Equivalents – Beginning of Year</b>		<b>4,808,946</b>	<b>1,944,480</b>
<b>Cash and Cash Equivalents – End of Year</b>	7	<b>4,274,125</b>	<b>4,808,946</b>

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

# National Telecommunications Regulatory Commission

## Index to Notes to the Financial Statements

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<b>Note 1</b>	Incorporation
<b>Note 2</b>	Principal Activities
<b>Note 3</b>	Basis of Preparation
<b>Note 4</b>	Summary of Accounting Policies
<b>Note 5</b>	Financial Risk Management
<b>Note 6</b>	Critical Accounting Estimates and Judgements
<b>Note 7</b>	Cash and Cash Equivalents
<b>Note 8</b>	Trade and Other Receivables
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<b>Note 10</b>	Accounts Payable and Accrued Liabilities
<b>Note 11</b>	Deferred Revenue – Numbering Fees
<b>Note 12</b>	Due to Eastern Caribbean Telecommunications Authority
<b>Note 13</b>	Due to the Government of St Vincent and the Grenadines
<b>Note 14</b>	Universal Service Fund
<b>Note 15</b>	Revenue
<b>Note 16</b>	Administrative Expenses
<b>Note 17</b>	Related Party Transactions
<b>Note 18</b>	Staff Cost

# National Telecommunications Regulatory Commission

## Notes to the Financial Statements

### For the Year Ended December 31, 2017

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(in Eastern Caribbean dollars)

#### 1. Incorporation

The National Telecommunications Regulatory Commission (the “Commission”) was established by the Telecommunications Act (CAP 418) of the Revised Laws of St. Vincent and the Grenadines of 2009 (the “Act”). The Commission commenced operations on November 1, 2001.

#### 2. Principal Activities

The Commission’s principal activities are to collect all fees and tariffs levied under the Act and to ensure compliance with the Government’s international obligations on telecommunications through regulatory processes outlined under the Act.

#### 3. Basis of Preparation

The principal accounting policies adopted in the preparation of these financial statements are set out in note 5. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS), International Accounting Standards, and Interpretations (collectively) IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Commission’s accounting policies. The areas where significant judgment and estimates have been made in preparing the financial statements and their effect are disclosed in note 7.

#### Basis of Measurement

The financial statements have been prepared on a historical cost basis.

#### Change in Accounting Policies

##### a. *New Standards, Interpretations and Amendments Effective from January 1, 2017*

##### **IFRS 15 - Revenue from Contracts with Customers**

IFRS 15 *Revenue from Contracts with Customers*, which became effective for annual reporting periods beginning on or after 1 January 2017, was issued in May 2014. It establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. The core principle in that framework is that an entity should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Standard sets out five steps to follow: identify the contract(s) with a customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contract; and recognise revenue when (or as) the entity satisfies a performance obligation. IFRS 15 replaces IAS 11 *Construction Contracts* and IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreement for the Construction of Real Estate* and IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue—Barter Transactions Involving Advertising Services*.

The adoption of IFRS 15 has not had a significant impact in the amounts reported in respect of assets and liabilities.

##### **Disclosure Initiative (Amendment to IAS 7)**

The amendment to IAS 7 ‘Statement of Cash Flows’, effective January 1, 2017, requires entities to provide disclosures about the changes in liabilities from financing activities. The Commission categorises those changes into change arising from cash flows and non-cash changes. The adoption has had no significant effect on the reporting of the Commission’s cash flows.

# National Telecommunications Regulatory Commission

## Notes to the Financial Statements

### For the Year Ended December 31, 2017

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(in Eastern Caribbean dollars)

#### 3. Basis of Preparation .....*Cont'd*

##### Change in Accounting Policies .....*Cont'd*

###### a. *New Standards, Interpretations and Amendments Effective from January 1, 2017 .....Cont'd*

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. These Standards, amendments or Interpretations have not been adopted early by the Commission.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations neither adopted nor listed below have not been disclosed as they are not expected to have a material impact on the Commission's financial statements.

##### **IFRS 9 'Financial Instruments'**

The new Standard for financial instruments (IFRS 9) replaces IAS 39 'Financial Instruments: Recognition and Measurement'. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets. IFRS 9 becomes effective for annual reporting periods beginning on or after January, 2018.

IFRS 9 also contains new requirements on the application of hedge accounting. The new requirements look to align hedge accounting more closely with entities' risk management activities by increasing the eligibility of both hedged items and hedging instruments and introducing a more principles-based approach to assessing hedge effectiveness.

The Commission anticipates that the application of this standard will not have any significant impact on the amounts reported in respect of assets and liabilities.

##### **IFRS 16 'Leases'**

IFRS 16 will replace IAS 17 'Leases' and three related Interpretations. It completes the IASB's long- running project to overhaul lease accounting. Leases will be recorded in the statement of financial position in the form of a right-of-use asset and a lease liability.

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019.

Management anticipates that adoption of this standard will not have any significant impact on the financial statements.

###### b. *New Standards, Amendments and Interpretations not yet Effective and have not been Early Adopted*

The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Commission's future financial statements which will be effective for the accounting periods beginning on or after 1 January 2016.

#### 4. Summary of Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Certain comparative amounts have been reclassified to conform with the current year's presentation.

# National Telecommunications Regulatory Commission

## Notes to the Financial Statements

### For the Year Ended December 31, 2017

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(in Eastern Caribbean dollars)

#### 4. Summary of Accounting Policies .....*Cont'd*

##### a. Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency of the Commission at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

##### b. Financial Instruments

The Commission classified non-derivative financial assets into the following categories: held-to-maturity financial assets, loans and receivables and cash and cash equivalents.

The Commission classified non-derivative financial liabilities into the other financial liabilities category.

##### (i) Non-Derivative Financial Assets and Financial Liabilities – Recognition and Derecognition

The Commission initially recognises loans and receivables on a date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Commission derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to received the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Commission is recognised as a separate asset or liability.

The Commission derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Commission has a legal right to offset the amounts and intends either to settle them on a net basis or to realised the asset and settle the liability simultaneously.

##### *Held-to-Maturity Financial Assets*

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *Cash and Cash equivalents*

In the statement of cash flows and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the Commission's cash management.

##### (ii) Non-Derivative Financial Liabilities - Measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost using the effective interest method.

# National Telecommunications Regulatory Commission

## Notes to the Financial Statements

### For the Year Ended December 31, 2017

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(in Eastern Caribbean dollars)

#### 4. Summary of Accounting Policies.....*Cont'd*

##### c. Equipment

###### (i) Recognition and Measurement

Items of equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment. Any gain or loss on disposal of an item of equipment is recognised in profit or loss.

###### (ii) Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Commission.

###### (iii) Depreciation

Depreciation is calculated to write off the cost of items of equipment less the estimated residual values using the reducing balance method over the useful lives and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives of equipment are as follows: -

Fixtures and fittings	15%
Furniture and equipment	20%
Motor vehicle	20%
Computers	25%

##### d. Lease Payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

##### e. Impairment

###### (i) Non-Derivative Financial Assets

Financial assets not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes: -

- default or delinquency by a debtor;
- restructuring of an amount due to the Commission on terms that the Commission would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

###### Financial Assets Measured at Amortised Cost

The Commission considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

# National Telecommunications Regulatory Commission

## Notes to the Financial Statements

### For the Year Ended December 31, 2017

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(in Eastern Caribbean dollars)

#### 4. Summary of Accounting Policies.....*Cont'd*

##### e. Impairment.....*Cont'd*

##### (i) Non-Derivative Financial Assets.....*Cont'd*

##### **Financial Assets Measured at Amortised Cost.....*Cont'd***

In assessing collective impairment, the Commission uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Commission considers that there is no realistic prospect of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreased and the decrease can be related objectively to an event occurring after the impairment was recognised then the previously recognised impairment loss is reversed through profit or loss.

##### (ii) Non-Financial Assets

At each reporting date, the Commission reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash inflows of other assets.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

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.

##### f. Revenue

##### (i) Frequency Fees

Revenue from frequency fees is recognised in profit or loss when the budget for the financial year is approved by the Council of Ministers.

##### (ii) Application Fees

Application fees are recognised in profit or loss in the period of application.

##### (iii) Numbering Fees

Numbering fees are recognised in profit or loss on an accrual basis. Numbering fees are accounted for on a uniformed basis over the term of coverage.

##### (iv) Interest on Financial Investments

Interest on financial investments are recognised on an accrual basis using the effective rate method.

# National Telecommunications Regulatory Commission

## Notes to the Financial Statements

### For the Year Ended December 31, 2017

(in Eastern Caribbean dollars)

#### 4. Summary of Accounting Policies.....*Cont'd*

##### g. Income Tax

In accordance with Section 25 of the Income Tax Act of St. Vincent and the Grenadines, the Commission is exempt from the payment of income tax.

##### h. Due to Related Parties

###### (a) Identification of Related Party

A party is related to the Commission if:

(i) Directly or indirectly the party:

- Controls, is controlled by, or is under common control with the Commission
- Has an interest in the Commission that gives it significant influence over the Commission or
- Has joint control over the Commission

(ii) The party is a member of the key management personnel of the Commission

(iii) The party is a close member of the family of any individual referred to in (i) or (ii)

(iv) The party is a post-employment benefit plan for the benefit of employees of the Commission or any company that is a related party of the Commission

###### (b) Related Party Transactions and Balances

Transactions have been entered into with related parties in the normal course of business. These transactions were conducted at market rates, or commercial terms and conditions.

#### 5. Financial Risk Management

##### a. Financial Risk Factors

The Commission's activities expose it to a variety of financial risks: market price risk, credit risk, liquidity risk and interest rate risk. The Commission's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Commission's financial performance. The Commission has not entered into forward contracts to reduce its risk exposure.

Risk management is carried out by a Management team under policies approved by the Board of Directors. The Management team identifies, evaluates and hedges financial risks in close co-operation with the Commission's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and the investment of excess liquidity.

##### i) Principal Financial Instruments

A summary of the financial instruments held by category is provided below.

	Carrying Amounts	
	2017	2016
	\$	\$
<b>Financial Assets</b>		
Trade and other receivables	3,058	5,290
Cash and cash equivalents	4,274,125	4,808,946
	<b>4,277,183</b>	<b>4,814,236</b>



# National Telecommunications Regulatory Commission

## Notes to the Financial Statements

### For the Year Ended December 31, 2017

(in Eastern Caribbean dollars)

#### 5. Financial Risk Management.....*Cont'd*

##### a. Financial Risk Factors.....*Cont'd*

##### iv) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Commission’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Commission has no significant exposure to market risk.

##### b. Fair Value of Financial Assets and Liabilities

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and are best evidenced by quoted market value, if one exists.

The Commission’s financial assets and financial liabilities as disclosed in the statement of financial position approximate their fair value.

#### 6. Critical Accounting Estimates and Judgements

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Commission makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### a. Estimated Impairment of Assets

The Commission tests annually whether assets have suffered any impairment in accordance with the accounting policy stated in significant accounting policies section.

##### b. Allowance for Impaired Trade Receivables

The Commission reviews the status of its trade receivables each reporting date, after the direct write off of known uncollectible accounts, and assesses the likelihood of recovery, individually and collectively based on historic experience. The allowance for impaired trade receivables is estimated by applying loss percentages which approximate loss experience to the arrears status of the trade receivable accounts.

#### 7. Cash and Cash Equivalents

	2017	2016
	\$	\$
<b>Unrestricted</b>		
Cash on hand	338	96
Current account	16,906	18,472
Savings account	3,142,189	3,572,114
	<u>3,159,433</u>	<u>3,590,682</u>
<b>Restricted</b>		
Savings account – Universal Service Fund (restricted)	908,267	1,072,311
Pension fund (restricted)	206,425	145,953
	<u>1,114,692</u>	<u>1,218,264</u>
	<u>4,274,125</u>	<u>4,808,946</u>

# National Telecommunications Regulatory Commission

## Notes to the Financial Statements

### For the Year Ended December 31, 2017

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(in Eastern Caribbean dollars)

#### 7. Cash and Cash Equivalents.....*Cont'd*

Pension fund represents contributions made by the Commission and its employees towards the establishment of a pension fund. At reporting date, the fund was not set up and the Contributions are being kept in a specific bank account for this purpose.

Cash and cash equivalents as of reporting date are denominated in Eastern Caribbean currency.

#### 8. Trade and Other Receivables

	2017	2016
	\$	\$
Due from Universal Service Fund	1,503	0
Other receivables	1,555	6,160
	<b>3,058</b>	<b>6,160</b>

The Commission, on behalf of the Government of St. Vincent and the Grenadines, ECTEL and Southern Caribbean Fiber, invoices for and collects from telecommunication operators frequencies, licence and IXP, and remits the collections thereof to the aforementioned principals. The operations surrounding those fees, including the amounts due, as of reporting date, are not included in these financial statements.

As at reporting date, amounts due by telecommunication operators for the aforementioned, were as follows: -

	2017	2016
	\$	\$
Frequency fees	504,150	203,364
Licence fees	23,960	67,760
IXP	1,261	1,250
	<b>529,371</b>	<b>272,374</b>

The carrying amounts of the Commission's trade and other receivables are denominated in Eastern Caribbean currency.

# National Telecommunications Regulatory Commission

## Notes to the Financial Statements For the Year Ended December 31, 2017

(in Eastern Caribbean dollars)

### 9. Equipment

	Fixtures and Fittings \$	Furniture and Equipment \$	Motor Vehicle \$	Computers \$	Total \$
<b>At December 31, 2015</b>					
Operational assets, cost	11,241	118,817	164,703	159,220	453,981
Accumulated depreciation	8,509	82,958	69,402	97,221	258,090
Net Book Amount	2,732	35,859	95,301	61,999	195,891
<b>Year Ended December 31, 2016</b>					
Opening net book amount	2,732	35,859	95,301	61,999	195,891
Additions	0	14,700	0	14,443	29,143
Disposals	0	(314)	0	(2,338)	(2,652)
Depreciation charge	(410)	(10,043)	(19,060)	(18,046)	(47,559)
Closing Net Book Amount	2,322	40,202	76,241	56,058	174,823
<b>At December 31, 2016</b>					
Operational assets, cost	11,241	127,812	164,703	166,725	470,481
Accumulated depreciation	8,919	87,610	88,462	110,667	295,658
Net Book Amount	2,322	40,202	76,241	56,058	174,823
<b>Year Ended December 31, 2017</b>					
Opening net book amount	2,322	40,202	76,241	56,058	174,823
Additions	0	8,170	92,141	15,215	115,526
Disposals	0	(84)	(20,237)	0	(20,321)
Depreciation charge	(348)	(9,652)	(29,629)	(17,880)	(57,509)
Closing Net Book Amount	1,974	38,636	118,516	53,393	212,519
<b>At December 31, 2017</b>					
Operational assets, cost	11,241	133,583	179,647	181,941	506,412
Accumulated depreciation	9,267	94,947	61,131	128,548	293,893
Net Book Amount	1,974	38,636	118,516	53,393	212,519

Depreciation expense of \$57,509 (2016: \$47,559) has been included in administrative expenses.

\*Disposed vehicle was traded in for a value of \$42,000.00 which was offset against the cost of new vehicle.

# National Telecommunications Regulatory Commission

## Notes to the Financial Statements

For the Year Ended December 31, 2017

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(in Eastern Caribbean dollars)

### 10. Accounts Payable and Accrued Liabilities

	2017	2016
	\$	\$
Accounts payable	22,579	22,954
Advance payment of fees	201,420	0
Pension and payroll liabilities	230,483	205,259
Other liabilities	3,782	6,249
	<u>458,264</u>	<u>234,462</u>

The carrying amounts of the Commission's accounts payable and accrued liabilities are denominated in Eastern Caribbean currency.

### 11. Deferred Revenue – Numbering Fees

Deferred revenue related to amounts received during the year for numbering fees applicable to the period subsequent to the reporting date. Deferred numbering fees are denominated in Eastern Caribbean currency.

### 12. Due to Eastern Caribbean Telecommunications Authority

The amount due to the Eastern Caribbean Telecommunications Authority (ECTEL), an advisory organisation to the Organisation of Eastern Caribbean States, including the Commission, represents frequency fees collected on its behalf and yet to be remitted as of reporting date. The amount is non-interest bearing and denominated in Eastern Caribbean dollars.

### 13. Due to the Government of St Vincent and the Grenadines

This amount represents unremitted license fees collected on behalf of the Government of St. Vincent and the Grenadines.

### 14. Universal Service Fund

The amount due to the Universal Service Fund, a separate fund created under the Telecommunication Act 2009, is non-interest bearing. The Commission is responsible for the administration of the fund. However, neither the financial position, nor operations, nor cash flows of the Universal Service Fund are not included in these financial statements.

### 15. Revenue

	2017	2016
	\$	\$
Application fees	22,281	25,832
Numbering fees	112,531	116,258
Spectrum fees	1,069,751	976,476
	<u>1,204,563</u>	<u>1,118,566</u>

# National Telecommunications Regulatory Commission

## Notes to the Financial Statements

For the Year Ended December 31, 2017

(in Eastern Caribbean dollars)

### 16. Administrative Expenses

The following summarise administrative expenses by their nature:

	2017	2016
	\$	\$
Advertising and promotion	14,213	20,472
Audit fees	7,888	7,763
Bad debts	12,180	0
Bank charges	2,112	1,875
Cleaning	1,871	1,863
Commissioners' allowances	63,000	63,000
Contributions to staff pension	29,239	25,143
Courier	113	0
Depreciation expense	57,509	47,559
Electricity expense	35,213	33,133
Gratuity	10,388	31,904
Insurance expense	6,063	5,774
Legal fees	10,800	10,840
National Insurance contributions	23,007	24,320
Periodicals	2,970	1,842
Rent	106,650	106,035
Repairs and maintenance	33,418	24,655
Salaries and other staff benefits	710,826	696,884
Staff Christmas dinner and awards	42,168	0
Stationery and office supplies	21,769	28,085
Contributions/Subscription	18,122	12,414
Telephone, fax and internet	20,498	19,640
Training	47,010	53,556
Travel and entertainment	1,225	1,865
	<b>1,278,252</b>	<b>1,218,622</b>

### 17. Related Party Transactions

In the normal course of business, the Commission administers a bank account for the Universal Service Fund (USF) and collects revenue on behalf of the Eastern Caribbean Telecommunications Authority (ECTEL) and the Government of St. Vincent and the Grenadines (GOSVG). Remittances are made on a periodic basis. This has resulted in the following: -

	2017	2016
	\$	\$
<b>Universal Service Fund (USF)</b>		
Contributions collected on behalf of the USF	1,429,318	1,193,374
Interest income received on behalf of the USF	7,873	13,254
Other Income collected on behalf of the USF	83,235	0
Banks charges paid on behalf of the USF	202	253
Expense reimbursements	436,480	332,813
Project payments made on behalf of the USF	1,231,565	1,135,169
<b>The Eastern Caribbean Telecommunications Authority (ECTEL)</b>		
Revenue collected on behalf of ECTEL	2,226,562	2,708,686
Remittances made to ECTEL	2,511,201	2,650,444
<b>Government of St. Vincent and the Grenadines (GOSVG)</b>		
Revenue collected on behalf of GOSVG	3,617,537	3,788,975
Remittances made to GOSVG	3,908,534	849,571

# National Telecommunications Regulatory Commission

## Notes to the Financial Statements

### For the Year Ended December 31, 2017

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(in Eastern Caribbean dollars)

#### 17. Related Party Transactions.....*Cont'd*

##### Key Management Compensation

Key management comprises of Commissioners, the Director of the entity and the Secretary of the Commission. Compensation of these individuals are as follows: -

	2017	2016
	\$	\$
Salaries	<b>147,342</b>	142,751
Allowances	<b>70,200</b>	70,200
National Insurance contributions	<b>2,860</b>	2,860
Pension contributions	<b>8,296</b>	8,296
	<b><u>228,697</u></b>	<u>224,107</u>

#### 18. Staff Cost

	2017	2016
	\$	\$
Administrative salaries, wages and National Insurance contributions	<b>683,208</b>	673,521
Gratuity	<b>10,388</b>	31,904
Staff allowances	<b>47,132</b>	41,600
Other staff benefits	<b>3,493</b>	6,083
Pension contribution	<b>29,239</b>	25,143
	<b><u>773,460</u></b>	<u>778,251</u>

Number of employees at reporting date	<u>12</u>	<u>11</u>
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