

REGULATORY CAPITAL



The Sri Lankan telecommunication industry is regulated by authorities for areas such as spectrum allocation, roaming charges, consumer rights, copyright, data protection, cyber security, and the wholesale fees that operators charge each other. These regulations serve to protect consumers and the industry, facilitate relationships between telecom operators, and maintain technical standards to ensure compatibility between different operators and devices.

The telecommunications industry in Sri Lanka is regulated by the Telecommunications Regulatory Commission of Sri Lanka (TRCSL) under the authority vested upon Sri Lanka Telecommunications Act No. 25 of 1991 as amended by the Act No. 27 of 1996. TRCSL regulates the extensive scope of the entire industry including Licensing framework, Spectrum Asset Management, Consumer rights Assurance, Security Assurance with data protection, privacy and cyber security, Charging systems and Tariff Regulations which all are paramount aspirations of the Telecommunications industry in Sri Lanka. In addition Government institutes namely Board of Investments, Ministry of Digital Infrastructure and Information Technology, Ministry of Mass Media, Right to Information Commission, Consumer Affairs Authority, Central Environment Authority, Department of Public Enterprises, Customs of Sri Lanka, Central Bank of Sri Lanka are the other key Influential Governmental bodies that have vital regulatory relevance to the Sri Lanka's Telecommunication Industry.

These regulatory Institution have derived policies and measures to protect both consumers and the industry by ensuring fair pricing of services, restricting anti-competitive behaviour, maintenance of technical compatibility, and achieving "universal service" which ensures as many households and persons as possibly are enabled to a hyper-connected world. The industry and the regulatory institutes has been ensued a prolonged journey with mutual understanding on the regulatory instruments. Telecommunications operators has been voice their issues and concerns with the relevant authorities more often to conclude in to a mutual sustainable solution to establish appropriate amendments and solutions to the processes and policies to safeguard the advancement of the country forward.

Regulatory licensing

Regulatory licensing authorises an operator which nature of License system at what particular conditions are permitted to be provided within the specified territories and periods. The company, SLT is granted the National Backbone Network (NBN) License as per the Cabinet Approved Policy for NBN which is an Island wide Fibre Network Infrastructure and SLT is legitimately granted the sole authority to build this network for Sri Lanka. The NBN License grants to establish Island wide fibre presence covering all divisional secretariat areas within five year span as a rollout compliance and SLT has achieved this compliance in Sri Lanka by establishing fibre footprint covering all Divisional Secretariat areas. SLT holds systems licenses to provide both Fixed wired and Fixed wireless services, International services permissions, and vendor licenses to offer necessary services. Further SLT is the pioneer IPTV license holder who established the IPTV operation in the South Asian Region for the first time.

Mobitel (Private) Limited operates on key licenses required for a cellular mobile operator in Sri Lanka. Accordingly, Mobitel carries Land Mobile License which includes an authorisation to provide in door WiFi, Fixed Services license to provide Outdoor WiFi, several licenses related to spectrum which includes 3G and 4G technology. Further it has an External Gateway Operator license and a Vendor license. Apart from several of these licenses, Mobitel carries a License from the Central Bank of Sri Lanka for mobile money operations.

Key roles in regulatory capital enhancement

Key roles in regulatory capital enhancements are;

- Assuring the precise license authorisation for all intended business operations (Systems, Vendor, etc.) from the regulator as per the enacted law.
- Obtain the necessary spectrum allocations for mobile and wireless operation for island wide network deployment.
- Establishment of regulatory compliance with all relevant Government entities.
- Compliance on tariff regulations, compliance on interconnections and management.
- Administration of regulatory directives within the Organisation with relationship management of the regulatory institutions.
- Managing customer relations and facilitate regulator in the process of safeguarding the consumer protection.
- Ensuring quality of service on networks, services with close monitoring and reporting process with regulator.

Regulatory assets of SLT

The following assets are regulatory empowered and currently in our possession:

- Island-wide copper network with DSL capability with SLT's License Permission for Wired Network
- An Island-wide fibre optic network extending nearly 35,000 km as per the license authorisation on National Backbone Network (NBN) in Sri Lanka.
- Extensive 4G LTE network in both fixed and mobile space with radio Spectrums for frequencies on 3G, 4G LTE, 5G, Wi-Fi, Maritime Radio etc.
- Telecommunications tower Infrastructure of both Fixed and Mobile Operations.
- Brand names and goodwill as a public enterprise in Sri Lanka owning majority government shares.

Regulatory risks faced by SLT

As wireless high-speed broadband solutions like 4G LTE are adopted by telecommunication service providers and new technologies like 5G enter the market, not all operators have access to advanced technology, which can have an adverse impact on market competition. There is a need for regulation to monitor and regulate the spread of technologies such as fibre since unregulated ventures by other operators can negatively impact on the entire industry cost growth with inevitable infrastructure duplication. There is also a need for a legal framework that protects operators from unregulated charging and taxing by local authorities and government agencies that can have adverse impacts on operational and capital expenditure as well as customer charges.