

Case Reference	R/E/I/069
Title	SingTel's Failure to Seek IDA's Approval for Tariff
Case Opened	3 July 2008
Case Closed	4 September 2008
Complainant	IDA initiated enforcement proceeding
Respondent	Singapore Telecommunications Limited (" SingTel ")
Case Summary	<p>In 2004, SingTel obtained IDA's approval for the offer of a 3-year customised local leased circuit scheme (the "Customised Scheme"), from 1 May 2004 to 30 April 2007.</p> <p>On 17 June 2008, SingTel informed IDA that it had extended the contract period of the Customised Scheme after it expired on 30 April 2007, for another year. However, SingTel had overlooked the fact that the initial filing did not provide for a contract extension at the expiry of the 3-year term. Hence, SingTel had not sought IDA's approval for the contract extension.</p> <p>SingTel apologised to IDA for its oversight but highlighted that no new prices, terms and conditions were offered during the contract extension, and that it had notified IDA of its mistake once it had learned of its error.</p> <p>SingTel therefore emphasised that it did not knowingly and intentionally avoid seeking IDA's approval for the contract extension of the Customised Scheme.</p>
IDA's Determination	<p>Section 4.4.1 (Services for Which A Dominant Licensee Must File Tariffs) of the Telecom Competition Code 2005 (the "Code") states that: "<i>A Dominant Licensee must file a tariff with IDA and obtain IDA's written approval prior to offering, or modifying the terms on which it offers, any of the following telecommunication services (including any offer on a trial basis):</i></p> <p>(i) <i>End User telecommunication services, including standardised services designed for residential customers, standardised services designed for business customers, services designed for specific customers ("Customised Tariff") and promotional services ..."</i></p> <p>SingTel's filing in 2004 was for the implementation of the Customised Scheme during the period of 1 May 2004 to 30 April 2007. As SingTel's filing had not included an option for a contract extension, IDA's approval was also granted on that basis, and any contract extension of the Customised Scheme required IDA's further approval.</p>

It was also not a relevant justification that SingTel had acted without any intent to commit the breach, as SingTel is required to be aware of all its regulatory obligations and take all necessary steps to ensure compliance with the Code.

Therefore, for failing to file the contract extension of the Customised Scheme with IDA, for our approval, IDA found that SingTel had contravened Section 4.4.1 of the Code.

IDA also took account of the fact that there were other previous incidents where SingTel had failed to file tariffs, or modifications to existing tariffs, with IDA for approval prior to offering these tariffs. On these previous occasions, IDA had reminded SingTel of its obligations and cautioned SingTel that it faced enforcement action if it failed to file tariffs or modifications to existing tariffs for IDA's approval prior to offering them to end users.

In consideration of the above incidents, IDA believed that a sterner approach was necessary in this case. Therefore, IDA imposed a financial penalty of **S\$20,000** on SingTel for its breach of Section 4.4.1 of the Code.