



Lao People Democratic Republic

Peace Independence Democracy Unity prosperity

Ministry of Post and Telecommunication

No. 019 / MPT

Vientiane Capital, Date: 08 Jan 2015

Decision

On telecommunication Competition

- Based on the Law on Telecommunications, amended version No. 09/NA, dated 21/12/2011
- Based on Prime Minister Decree, No 303/PMO, dated 26/09/2011, on the organizational and responsibilities of Ministry of Post and Telecommunications.

The Minister of Post and Telecommunications

Here by issues the following decision:

Chapter 1

General Provisions

Article 1. Objectives

This Decision determines the principles, regulations and measures regarding the management, monitoring, inspection, suppression of telecommunication operation services that characterize as unfair, and collude, to promote fair competition, protected the right and benefits for both service providers and consumers, to support social and economic development in accordance to strategic plan, national social economic plan in efficient and effective manner.

Article 2. Telecommunications competition

Competition in telecommunication is a competition between two or more telecom service providers to compete in price, quantity, quality, convincing, advertisement, and information disseminations. To provide fair telecommunication service to customers, and in compliance to the law of Lao PDR, strategy, social and economic development plan in each period.

Article 3. Definition of Terms

Terms that used in this decision are describe as following:

1. **Telecommunication Products** mean telecom resources, equipment, and others that service providers use as their products to sell to customers or telecommunication services users;
2. **Telecommunication Market** means business activities that sellers, buyers and service providers come in to contact, agreement to trade goods and services for both direct or indirect;
3. **Market Share** means share in percentages of trade in goods or services of enterprises in telecommunication market;
4. **Telecom Business Confidential Information** means information related to procedure, product development, business operation, or telecommunication services, which are important to business operation and if reveal, might impact to business stability and financial security to telecom service provider;
5. **Telecommunication Services** mean the use of telecom network infrastructure, telecom resources to conduct business and provide telecommunication services in return of monetary revenue, other benefits;
6. **Telecommunication Service Providers** mean enterprise units, that conduct a business on providing telecommunication services;
7. **Telecommunication Service Users** mean customer, consumer that use the services provided by telecom service providers.

Article 4. Policy to promote fair competition

Government encourage telecommunications service providers to undertake businesses under competitive conditions with equality, fairness, to ensure telecommunications network expansion across the nation with cooperative attitude to contribute to social and economic development of Lao PDR.

Article 5. Principle and guidelines on Telecommunications Competition

The management and competition of telecommunication consist of some basic principles as following:

1. In compliance to policies, national strategic plan and social and economic development plan;
2. Ensure an equality, efficiency, effectiveness, cooperation and fair competition;
3. Ensure the rights and interests of providers and users of telecommunications in accordance with the Law;
4. Ensure to compliance with conventions of Lao PDR.

Article 6. Scope

This Decision is applicable for both telecom service provider and user in Lao PDR.

Chapter 2

Competition on Telecommunications

Article 7. Types of Competition

There are three types of competition on telecommunications as following:

1. Fair competition
2. Unfair competition
3. Anti-competitive Conduct

Article 8. Fair competition on Telecommunications

Fair competition in telecommunication is a competition between telecommunication service providers in a fair manner and compliance to principles and did not discriminate other parties to maximize their business profit or eliminate the competitors.

Article 9. Unfair competition on Telecommunications

Unfair competition in telecommunication is result in limited services promotion of other telecommunication providers, in the manner that prevented fair competition. Which result as unsatisfactory of market share and cost small enterprise, or new enterprise that provide similar services have no capacity to enter the same market area.

Article 10. Anti-Competitive Conduct

Anti-competitive Conduct is an act of one or two telecommunication service providers with objectives to limit, manipulate, anti-competitive act in telecommunication services, which imposes limitation on other telecom service providers, consumers and technological development, technical skills, and impact the national social and economic development.

Article 11. Types of Anti-Competitive Conduct

There are three types of anti-competitive conduct as following:

1. Collusion of Telecom service providers
2. Market Domination
3. Monopoly

Article 12. Collusion

The collusion in telecommunication services is an act of two or more telecom service providers to collude or make arrangements to engage in unfair trade practice in any form, such as:

1. Price fixing, and fixing the sale and purchase price of telecommunications services;
2. Limiting sale market and distribution of telecommunications goods and services;

3. Limiting, reducing the quantity or limiting the production, purchase, sale, distribution or import of telecommunications goods and telecommunication services;
4. Anti-technological, technical skills development, and investment in telecommunications area;
5. Fixing conditions or forcing their customers to enter into agreement of purchase or sale of goods or telecommunication services, or other conditions that's not accordance to the agreement;
6. Prohibiting other service providers from accessing its market;
7. Forcing other service providers to leave the market;
8. Appoint, or giving authority to an individual for sole right to sell goods or supply services in one market;
9. Other acts those are contrary to this decision and the law of Lao PDR.

Article 13. Market domination

Telecom market domination means telecom service provider conducts its business operation and use its power to dominant the market by reducing price, limiting quantity, or quality of products of others to limit market access of other competitors or forcing competitors to leave the market.

Article 14. Monopoly market

Telecommunication market monopoly means there is only one provider to provide goods and services in one market, which monopoly from its nature environment or monopoly by limiting competitors.

Chapter 3

Unfair competition and

Management, Regulation and Report on Telecommunication competition

Article 15. Unfair competition behavior

There are five behaviors as following:

1. Misleading information in telecommunications;
2. Breaching of confidential information of telecommunication business;
3. Imposing limitation and complication to telecommunication operators
4. Exaggeration of the advertisement;
5. Unfair promotion on telecommunications;

Article 16. Misleading information on telecommunications;

Misleading information on telecommunications means providing false information and cause confusion in sign (logo), origin, packaging, label, and other component of goods and services of telecommunications.

Article 17. Breaching of confidential information of telecommunication business

Breaching of confidential information is one of the behaviors as following:

1. Access or collect data, information without permission;
2. Disclosing information without permission;
3. Breaching the agreement on confidential clause, or misuse of position to access and collect the confidential data.

Article 18. Imposing limitation and complication to telecommunication service providers

Imposing limitation and complication to telecommunication service providers is creating barriers and cause directly or indirectly to the telecommunication business operation.

Article 19. Exaggeration of the advertisement

Exaggeration of the advertisement means publicize or promote telecommunication products, goods or services that not compliance to its actual function such as types, characteristic, quantity, quality, logo, sticker, trade mark, and telecommunication services which to mislead the customer and persuade the customer to use the services, as well as insult, or abuse goods and services of telecommunication.

Article 20. Unfair Promotion on telecommunications

Unfair promotion is the act of provides misleading promotional information which cause confusion, provides false information to service users, preferred some customers, provides free gift, products trial and free services.

Article 21. The management of telecommunications competition

Department of Telecommunications is responsible for managing and regulating the competitions and coordinating with line agencies or local authorities in accordance to its scope, functions and responsibilities in Lao PDR.

Article 22. Reporting

Telecommunication service provider shall summarize, conclude, and report its statistical data, volume, prices of services, in monthly, quarterly, annually period, to Department of Telecommunications in timely and regularly manner.

Article 23. Inspection

Inspection means to assess the service providers on the implementation of the policies, Law and regulations, responsibilities and competition behavior in telecommunications area. To ensure the compliance to this Decision and other related Laws of Lao PDR, inspection will be conducted as following:

1. Regularly inspection
2. Inspection by informing in advance
3. Emergency inspection

Regular inspection is based on its defined plan and its schedule, where date and time is specified.

Inspection by informing in advance is based on the necessary situation and not according to the plan and informs the service providers in advance at least 24 hours prior to the inspection.

Emergency inspection is based on the urgency situation and did not inform the service providers in advance prior to the inspection.

Chapter 4

Policies forward persons with outstanding achievement

And Measures against the violators

Article 24. Policies forward persons with outstanding achievement

Individual, legal entities or organization that are role models of active and effective participation in the implementation of this Decision shall be rewarded or granted appropriately.

Article 25. Measure Against Violators

Individual, legal entities, or organization that violate this Decision shall be educated, fines, or penalties or charges, depending on the degree of violation. Including financial penalty up to the prescribed statutory maximum amount.

Article 26. Measure for applying fines

Individual, legal entities, or organization that provides telecommunication services that violate this Decision, Ministry of Post and Telecommunications will define the fines or penalized depending on the degree of violation according to the related Laws.

Chapter 5

Final Provisions

Article 27. Implementation

Department of Telecommunications, Ministry of Post and Telecommunications are responsible on the implementation of this Decision.

Article 28. Effectiveness

This Decision enters into force from the date of signing and fifteen days after publishing on the official gazette.

MINISTER

(sign and stamp)

Hiem Phommachan