

# Government to reduce telecommunications licence fees and introduce new fee component

The Telecommunications (Carrier Licences) (Amendment) Regulation 2018 was published in the Gazette today (November 23). The amendment regulation seeks to reduce the customer connection fee of unified carrier licences (UCL) from \$700 to \$500 for each 100 customer connections and to introduce a new Wireless Internet of Things (WIoT) device fee of \$200 for each 100 WIoT devices under UCL, both to take effect from January 31, 2019.

"Taking into account the financial performance of the Office of the Communications Authority Trading Fund (OFCATF) in the coming years, we consider that there is room for downward adjustment of the customer connection fee under UCL. The licence fee reduction is in line with the cost recovery principle," a spokesman for the Commerce and Economic Development Bureau said.

"Aligned with the relevant fee under the WIoT licence introduced in December 2017, the new WIoT device fee is set at a much reduced level than that of the customer connection fee. This will bring substantial savings to mobile network operators offering WIoT services and facilitate the development of WIoT services in Hong Kong," the spokesman added.

The amendment regulation will be tabled in the Legislative Council for negative vetting on November 28, 2018.

Subject to the passage of the amendment regulation, the Communications Authority will also reduce the mobile station fee of four other types of licences, namely the public radiocommunications service licence for public radio paging services, the services-based operator licence (Class 3) for mobile virtual network operators, the mobile radio system mobile station licence and the private mobile radio system licence, with effect from January 31, 2019.

Telecommunications licence fees are collected by the OFCATF to recover the costs incurred in the provision of service by the OFCATF.