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INFORMATION REQUIRED TO DETERMINE THE COMMUNICATIONS MARKET FEE AND THE INFORMATION SECURITY FEE

The Finnish Communications Regulatory Authority (FICORA) shall annually collect a communications market fee and an information security fee from telecommunications operators subject to notification or licence. Sections 15 a–15 d of the Communications Market Act contain provisions on the communications market fee; provisions on the information security fee are included in sections 38–40 a of the Act on the Protection of Privacy in Electronic Communications. According to your company's telecommunications notification to FICORA, the company has informed that it has telecommunications activities in Finland.

FICORA thus asks you to submit the following information necessary for determining the fees:

- turnover from telecommunications activities for the previous closed accounting period
- specification of the corporate group's mutual turnover per company and information about the turnover-related activities
- a copy of the adopted financial statements and of the consolidated financial statements
- company's invoicing address and contact person.

Please send the requested information by **May 18, 2012** at the latest: by e-mail to kirjaamo@ficora.fi, or by post to: Finnish Communications Regulatory Authority, Sirpa Kivisalmi, P.O. Box 313, FI-00181 Helsinki, Finland. If your company's financial statements are adopted after this date, please inform us when they will be available. The financial statements must be submitted to FICORA immediately after they have been adopted. A form for submitting turnover information is annexed to this letter.

Basis for the fee

The amounts of the communications market fee and the information security fee are based on the telecommunications turnover for the previous closed accounting period. All turnover from public telecommunications operated in Finland belongs to the turnover forming the basis for the fees and is considered in the assignment of the operator's payment category.

Public telecommunications cover network operator and service operator activities in both fixed and mobile networks (such as local, trunk, mobile or international telecommunications), Internet service operations, and other telecommunications services. Public telecommunications also cover supplementary services which are related to network or service operator activities, and are essential or necessary for the use of the main product or service.

Turnover from network operator activities covers, among other things, income from relinquishing access rights to the network, masts and mast sites. Turnover from service operator activities covers income from transmission of messages in communications networks, as well as income from distribution and provision of messages in mass communications networks.

If a telecommunications operator is part of a corporate group as referred to in chapter 1 (6) of the Accounting Act (1336/1997), the basis for the telecommunications operator's fee is the operator's *share of the total turnover from telecommunications activities in Finland of the group's liable operators* deducted by their mutual turnover from these activities. The corporate group's internal turnover is naturally deducted only once.

If there are any changes in the telecommunications operator's corporate group relations between the time when the previous accounting period ended and the time when the decision on the fee was issued, the payment category is determined according to *the operator's share of the turnover from telecommunications activities during the previous closed accounting period*.

If the telecommunications activities have been transferred to another operator between the time when the previous accounting period ended and the time when the decision on the fee was issued, liability for payment rests with *the operator of public telecommunications at the time when the decision on the fee was issued*. In determining the payment category, the adopted turnover from the transferred telecommunications activities for the previous closed accounting period is taken into consideration.

If the telecommunications operator's accounting period is other than a calendar year, the turnover is converted to correspond to the turnover of a calendar year so that the turnover is multiplied by 12 and divided by the total number of months in the accounting period.

Deductions from the turnover

From the turnover given under item A the telecommunications operator may deduct those items accrued from other operations than telecommunications. The remaining share (turnover from telecommunications activities) is declared under item B. Other operations mainly cover hardware and software trade, maintenance of hardware and software, and compensations from pure resale. The deducted items must be given under "Additional information" of the form or by a separate annex.

Under item C the telecommunications operator may deduct the turnover from mutual activities of liable operators within the same corporate group. A specification of the declared deductions must be annexed.

Under item D the telecommunications operator may deduct the turnover from television and radio broadcasting activities as referred to in the Act on Television and Radio Operations (744/1998). Television and radio operations mean programme service, i.e. initial transmission and provision of programmes. However, access and monthly fees collected by the broadcaster for instance for maintenance of the network, are included in the turnover from network operations subject to the communications market fee and the information security fee.

Fees, which are collected from other broadcasters than those with must carry-obligation for channel broadcasting, are also subject to the communications market fee and the information security fee. The operator may not deduct turnover from these fees.

Operators of telecommunications of minor importance

All operators that have made a telecommunications notification have an obligation to submit to FICORA information necessary for determining the fees. Some operators have voluntarily made a telecommunications notification even though they are not required to do so because their telecommunications activities are of minor importance or their telecommunications activities have not yet begun. Operators with telecommunications activities of minor importance must also notify FICORA the telecommunications turnover, or alternatively they must notify that the operator has not operated telecommunications under the previous closed accounting period. The fees are, however, not collected from operators whose telecommunications remain under the limit set for telecommunications of minor importance. Telecommunications activities of minor importance and thus not subject to notification are defined in the Government decree 963/2009 in such a way that they cover public telecommunications in a network where turnover is less than EUR 300,000 per year.

Determination of liability for payment in certain exceptional situations

The Finnish Communications Regulatory Authority may estimate the turnover forming the basis for the fee, if it is not possible to get sufficiently reliable information on the turnover because of missing financial statements or some other extremely weighty reason. The turnover may be estimated, among other things, if the fee is collected in the first year of activities or if the telecommunications activities cease in the middle of a billing period, or, if the operator does not have adopted financial statements for public telecommunications.

For the purpose of making the estimate, the Finnish Communications Regulatory Authority shall have regard to all available information about the circumstances that may affect the extent of business. The estimate may also utilise comparison information from other corresponding operators.

FICORA gives at request further advice on how the turnover information is to be notified. For further information, please contact the following persons: Administrative Officer Sirpa Kivisalmi, phone +358 9 6966 871, sirpa.kivisalmi@ficora.fi, and Deputy Director Pekka Koskenheimo, phone +358 9 6966 875, pekka.koskenheimo@ficora.fi

Deputy Director

Pekka Koskenheimo

Administrative Officer

Sirpa Kivisalmi

- ANNEXES
1. Form for submitting turnover information
 2. Applicable provisions

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Telecommunications operators