

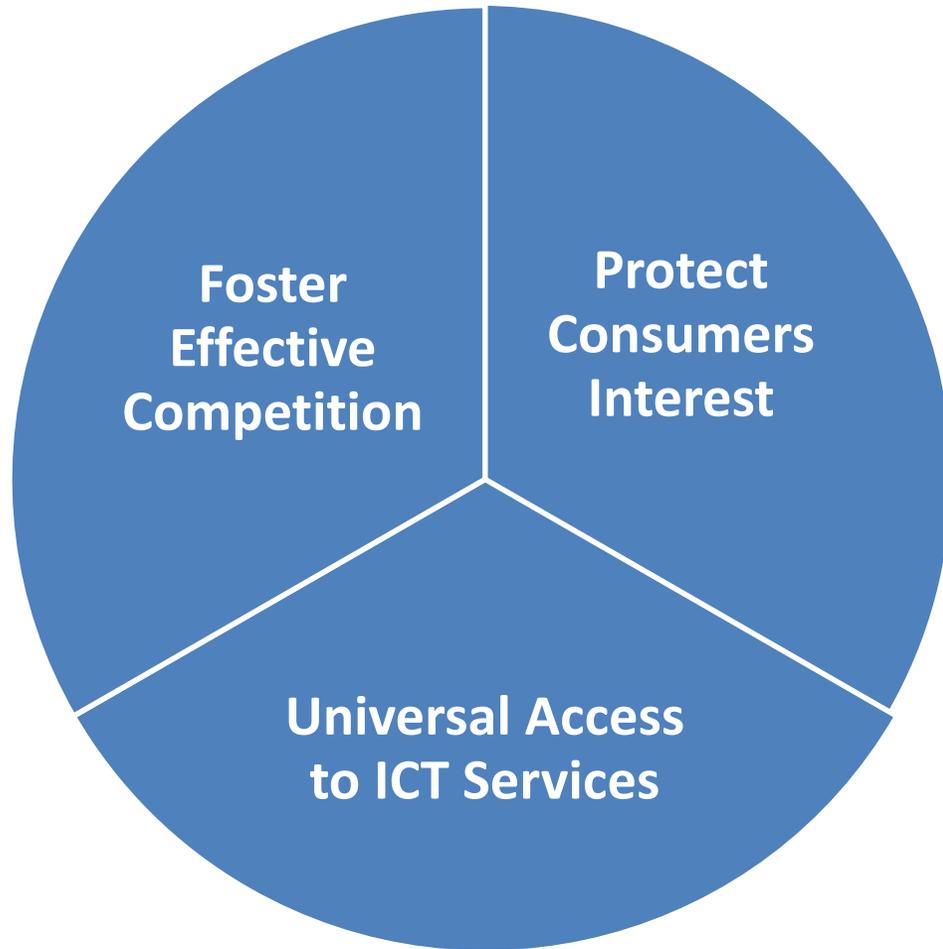


# Rethinking Regulatory Environment

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Mohamed Fahmy | Sharm El Sheikh | December 2017

# The Need for Regulations

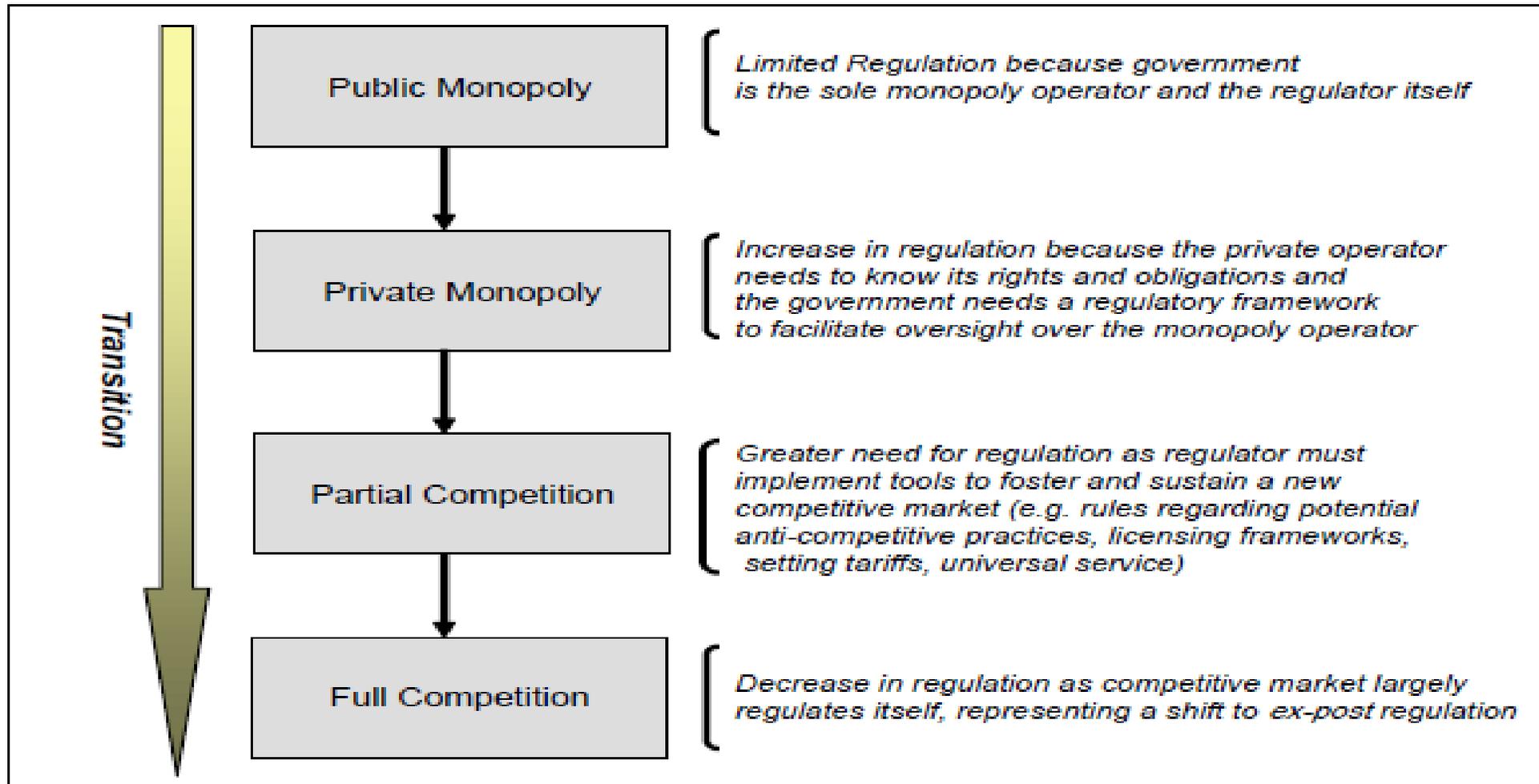


Regulatory measures try to glue together the constraints of having:

- Proper Quality of Service
- Affordable prices
- Universal coverage
- Sustainable investments
- Open access and effective competition

All of these targets can't be realized without a proper regulatory framework

# Evolution of Regulations (1)



## Evolution of Regulations (2)

- 10 – 15 years ago the most pressing questions that NRAs had to answer was:
  1. The structural aspect of telecom market
    1. Public vs. private operators.
    2. Number of operators necessary to realize competition without undermining profitability and investment.
  2. Mechanisms to create effective competition
    - I. Wholesale and retail remedies.
    - II. Mechanisms to manage anti- competitive behavior.

# Regulations in the Era of Digital Transformation

- So, How is the situation different now ?
  - The rise of disruptive applications.

## Social applications



## OTT voice & messaging applications



## Video & TV applications



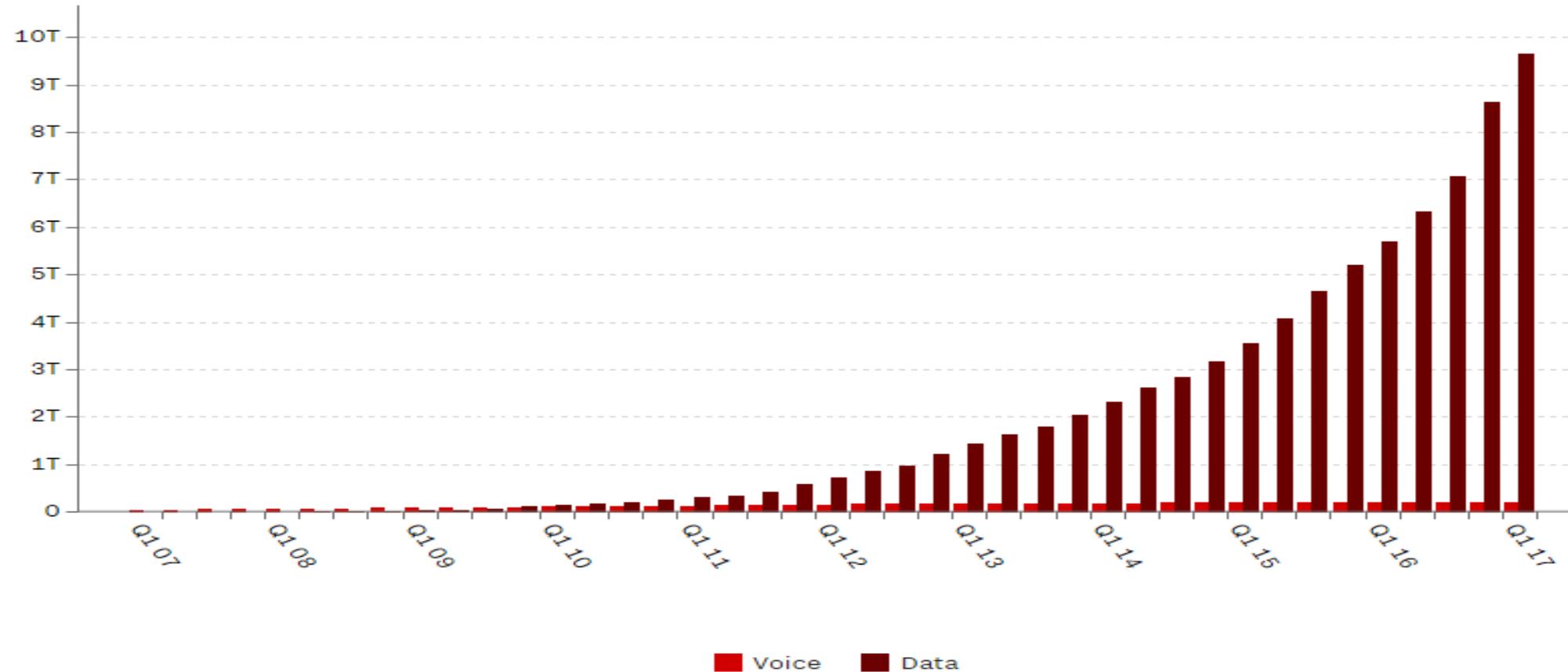
## Apps disruptive effect extends to transportation, hospitality, etc.



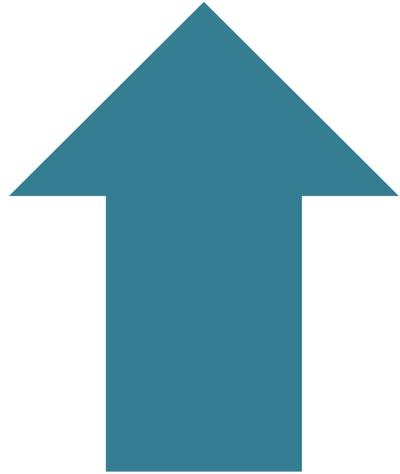
# Regulations in the Era of Digital Transformation

- The rise of disruptive devices

Voice versus data traffic in monthly bytes

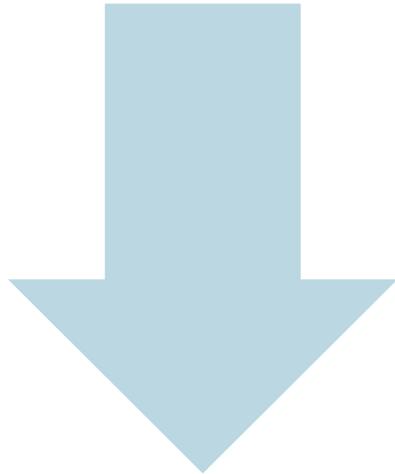


# Impact on Traditional Business Models and Regulations



The App economy and OTT services are driving the demand for bandwidth ever higher

**BUT**



Competing directly with the telecommunications operators

Undermining consumer demand for core telecom services

Constraining capacity of Telcos for investment

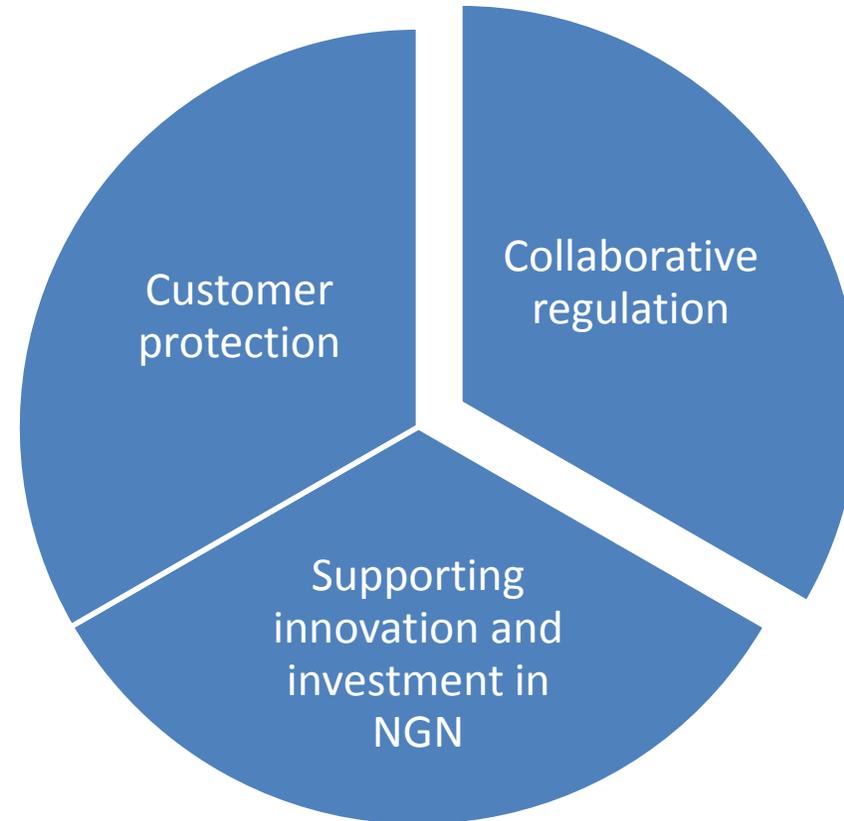
Significant regulatory imbalances currently exist between the traditional telcos compared with OTT providers

Some areas of imbalance are:

- Applicable laws
- Taxes
- Licensing
- QoS
- Interconnection
- Price regulations
- Privacy
- Lawful interception

# Pillars Shaping Future Regulations

Ensure adequate and up to date data protection, privacy and cyber security legislation based on global best practices



Hold an inclusive dialogue across the different sectors and authorities (competition, customer protection, etc....) and effective coordination

**Striking the right balance between supporting innovative models for service delivery while promoting investment in future networks**

# Mobile Money as an Example of Collaborative Regulation

- February 2017 the National Council for Payment was established with the main purpose of reducing the use of banknotes outside the banking sector.
- June 2017, through collaboration between NTRA and CBE interoperability between operators was implemented to allow for cross MNOs transfers.
- July 2017, NTRA and CBE signed an MoU to unify and harmonize the regulation related to MM service delivery and to establish a joint committee to study requests for mobile money services.
- NTRA is currently working closely with CBE, NGOs and MNOs on microfinancing initiative to establish its operational and business model.

# Conclusion

- Moving from first-generation to second-generation broadband will require updated regulatory framework that takes utmost a count of innovation and investment requirements.
- The disruptive nature of applications makes it compelling for NRAs to establish cross sectoral co-ordination procedures to ensure consistent collaborative regulations and comprehensive inter-working arrangements
- New regulatory paradigms need to focus on supporting innovation, enabling investment, stimulating competition, while ensuring consumer protection, data protection and privacy