
Wholesale Voice Markets Review 2021–26

Annex 5: Legal instruments

STATEMENT:

Publication date: 30 March 2021

SMP services conditions

NOTIFICATION UNDER SECTIONS 48(1) AND 79(4) OF THE COMMUNICATIONS ACT 2003 (“Notification”)

Notification of the identification of markets, the making of market power determinations and the setting and revocation of SMP services conditions in relation to wholesale call termination and applying to BT and specified communications providers under section 45 of the Communications Act 2003.

Background

1. On 30 November 2017, Ofcom published a statement entitled “*Narrowband Market Review: Statement*” (the “**2017 NMR Statement**”). The 2017 NMR Statement set out Ofcom’s conclusions on its review of narrowband markets including the wholesale call origination and wholesale call termination markets by identifying markets, making certain market determinations and setting SMP conditions (including charge control conditions).
2. At Annexes 9 and 10 of the 2017 NMR Statement, Ofcom published a notification under section 48(1) of the Act containing its market identifications, market power determinations and the setting of SMP conditions and directions to be applied to BT, KCOM and other communications providers (the “**2017 NMR Notification**”).
3. As a result of the determination of BT’s SMP in wholesale call termination and wholesale call origination markets, Ofcom decided also to set SMP conditions in relation to BT’s Interconnect Circuits, as set out in Schedule 1 to the 2017 NMR Notification.
4. On 11 April 2019, Ofcom published a consultation entitled “*First consultation: Future of interconnection and call termination*”.
5. On 8 February 2020, Ofcom published a consultation document entitled “*Promoting competition and investment in fibre networks: BT Regulatory Financial Reporting requirements covering wholesale fixed telecoms markets 2021-2026*” (the “**BT Regulatory Financial Reporting Requirements consultation**”). In that document, having reviewed BT’s reporting requirements, Ofcom consulted on proposals to set SMP conditions with respect to BT’s regulatory accounting in connection with SMP determinations proposed in Ofcom’s consultation “*Promoting competition and investment in fibre networks: Wholesale Fixed Telecoms Market Review 2021-2026*”, published on 8 January 2020.
6. On 16 July 2020, Ofcom published a consultation entitled “*Hull Area: Wholesale Fixed Telecoms Market Review 2020*” (the “**Hull Market Review consultation**”). The Hull Market Review consultation included a notification published under section 48A and 80A of the Act in which Ofcom proposed the revocation of SMP conditions in relation to wholesale call origination and Interconnect Circuits (subject to certain specified savings) applying to KCOM.

7. On 13 August 2020, Ofcom published a consultation entitled “*Wholesale Voice Services Market Review 2021-2026*” (the “**Consultation**”). In that document, among other proposals, Ofcom consulted on proposals to identify markets, make market power determinations and set and revoke SMP conditions applying to BT and specified communications providers in relation to wholesale call termination.
8. On 18 March 2021, Ofcom published its statement, “*Promoting competition and investment in fibre networks: Wholesale Fixed Telecoms Market Review 2021-2026*” (the “**WFTMR Statement**”), in which it set certain SMP conditions and directions, including in relation to BT’s regulatory financial reporting.
9. A copy of the Consultation was sent to the Secretary of State in accordance with sections 48C(1) and 81(1) of the Act.
10. Ofcom received several responses to its proposals set out in the Consultation and it has considered every such representation. The Secretary of State has not notified Ofcom of any international obligations on the United Kingdom for the purposes of those proposals.

Decisions in relation to market identification and market power determinations

11. Ofcom has identified 188 separate markets in the United Kingdom for wholesale call termination services which are provided by BT and each of the 187 persons named in the Annex to Schedule 2 to this Notification (“**CP**”) to another communications provider, for the termination of voice calls to geographic numbers in each area served by BT and the CP respectively (each a “**WCT market**”).
12. Ofcom has made a market power determination that BT and each of the persons set out in the Annex to Schedule 2 to this Notification has significant market power in relation to the WCT market in which that person operates.
13. For BT and each of the persons identified in the Annex to Schedule 2 to this Notification, the SMP designation is held with respect to the registered company identified and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006, in so far as they operate on the relevant market.
14. The effect of, and Ofcom’s reasons for making, the decisions for identifying the markets and making the market power determinations referred to above are set out in the Voice Statement.

Decisions to set and apply SMP services conditions

15. Ofcom is setting the following SMP conditions:
 - a) on BT, SMP conditions 1, 2, 3A, 3B, 3C, 4, 5, 6, 7 and 8 as set out in Schedule 1 to this Notification to the extent set out in such Schedule;
 - b) on each of the persons listed in the Annex to Schedule 2 to this Notification, SMP conditions 1, 2A and 2B to the extent set out in that Schedule.
16. As a result of Ofcom’s determination of BT’s SMP in the WCT market in which it operates and BT’s planned migration of its services to IP technology, the SMP conditions which Ofcom is applying to BT include specific conditions in relation to the interconnection services it provides

for the purpose of giving access to wholesale call termination, as set out in Schedule 1 to this Notification.

17. Ofcom has determined that the SMP conditions shall apply, in the case of each person on whom they are set, in respect of the WCT market on which that person operates.
18. Unless otherwise stated, Ofcom has determined that the SMP conditions shall take effect from 1 April 2021 or such other date specified in any notification under sections 48(1) and 79(4) of the Act adopting the decisions set out in this Notification and shall have effect until the publication of a notification under section 48(1) of the Act revoking such conditions.
19. The effect of, and Ofcom's reasons for making, the decisions in relation to SMP conditions referred to in this Notification are set out in the Voice Statement.

Decision to revoke SMP services conditions

20. With effect from 1 April 2021, Ofcom revokes (to the extent still extant) :
 - a) the SMP conditions applied in Schedule 1 of the 2017 NMR Notification to BT, in Schedule 2 of the 2017 NMR Notification to KCOM and in Schedule 3 of the 2017 NMR Notification to each of the 283 communications providers named in the Annex to such Schedule, in each case in so far as they apply to the markets in the United Kingdom for wholesale call termination services;
 - b) the SMP conditions applied to BT in Schedule 1 of the 2017 NMR Notification in so far as it applies to wholesale call origination on a fixed narrowband network in the United Kingdom excluding the Hull Area;
 - c) the SMP conditions applied to BT in Schedule 1 of the 2017 NMR Notification in so far as it applies to Interconnect Circuits.
21. Section 16 of the Interpretation Act 1978 shall apply as if these revocations were a repeal of an enactment by an Act of Parliament.

Ofcom's duties and legal tests

22. The effect of, and Ofcom's reasons for making, the decisions for identifying the markets, making the market power determinations and determinations in relation to SMP conditions referred to in this Notification are set out in the Voice Statement.
23. In identifying and analysing the markets referred to in this Notification, and in considering whether to make the corresponding decisions set out in this Notification, Ofcom has acted in accordance with section 79 of the Act and where it has considered relevant, had regard to EECC materials within the meaning of section 79(6A) of the Act.
24. Ofcom considers that the SMP conditions set out in the Schedules to this Notification comply with the requirements of sections 45 to 47, 87 and 88 of the Act, as appropriate and relevant to each such SMP condition, and further that the revocations of the SMP conditions referred to above comply with the requirements of sections 45 to 47, 87 and 88 of the Act as appropriate and relevant to them.

25. In making all of the decisions referred to in this Notification, Ofcom has considered and acted in accordance with its general duties set out in section 3 of the Act and the six requirements in section 4 of the Act, as amended. In accordance with section 4A of the Act, Ofcom has also taken account of recommendations issued by the European Commission under Article 19(1) of the Framework Directive or Article 38(1) of the EECC, as they appear to Ofcom to be relevant.
26. As required by section 2B(2) of the Communications Act 2003, Ofcom has also had regard to the Statement of Strategic Priorities in making the decisions referred to in this Notification.

Notification to the Secretary of State

27. Copies of this Notification and the Voice Statement have been sent to the Secretary of State in accordance with sections 48C(1) and 81(1) of the Act.

Interpretation

28. For the purpose of interpreting this Notification (which for the avoidance of doubt includes the Schedule):
- a) except in so far as the context otherwise requires, words or expressions have the meaning assigned to them in paragraph 29 below, and otherwise any word or expression has the same meaning as it has in the Act;
 - b) headings and titles shall be disregarded;
 - c) expressions cognate with those referred to in this Notification shall be construed accordingly; and
 - d) the Interpretation Act 1978 (c. 30) shall apply as if this Notification were an Act of Parliament.
29. In this Notification:
- a) **“2017 NMR Notification”** means the notification described in paragraph 2 of this Notification;
 - b) **“2017 NMR Statement”** means the statement described in paragraph 1 of this Notification;
 - c) **“Act”** means the Communications Act 2003 (c. 21);
 - d) **“BT”** means British Telecommunications plc, whose registered company number is 1800000, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
 - e) **“BT Regulatory Financial Reporting Requirements consultation”** has the meaning given in paragraph 5 to this Notification;
 - f) **“Consultation”** has the meaning given in paragraph 7 of this Notification;
 - g) **“CP”** means a person named in the Annex to Schedule 2 to this Notification, as described in paragraph 11 above;
 - h) **“EECC”** means Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Code;

- i) **“geographic numbers”** has the meaning given in the National Telephone Numbering Plan published by Ofcom from time to time under section 56 of the Act;
- j) **“Framework Directive”** means Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services, as amended;
- k) **“Hull Area”** means the area defined as the 'Licensed Area' in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and Kingston Communication (Hull) plc, (now known as KCOM);
- l) **“Hull Market Review consultation”** has the meaning given in paragraph 6 to this Notification;
- m) **“KCOM”** means KCOM Group Limited, whose registered company number is 02150618, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
- n) **“Ofcom”** means the Office of Communications as established pursuant to section 1(1) of the Office of Communications Act 2002;
- o) **“Statement of Strategic Priorities”** means the Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services 9 designated by the Secretary of State for Digital, Culture, Media and Sport for the purposes of section 2A of the Communications Act 2003 on 29 October 2019;
- p) **“United Kingdom”** has the meaning given to it in the Interpretation Act 1978 (c30);
- q) **“Voice Statement”** means the explanatory statement titled *“Wholesale Voice Markets Review 2021-26”*, accompanying this Notification; and
- r) **“WCT market”** has the meaning given in paragraph 11 of this Notification.

30. The Schedules to this Notification form part of this Notification.

Signed



Brian Potterill
Director of Mobile Network Strategy, Ofcom

A person duly authorised in accordance with paragraph 18 of the Schedule to the Office of Communications Act 2002
30 March 2021

Schedule 1: SMP Conditions (BT)

Part 1: Application

1. The SMP conditions in Part 3 of this Schedule, except where specified otherwise, apply to the Dominant Provider in the relevant market and area listed in Column 1 of Table 1 to the extent specified in Column 2 of Table 1.
2. Subject to paragraph 3 and save as otherwise specified in any condition, each condition will enter into force on 1 April 2021 and shall have effect until the publication of a notification under section 48(1) of the Act revoking such conditions.
3. From 1 April 2025, or such other date as Ofcom may direct, SMP Conditions 1, 2, 4, 5 and 6 specified in Column 2 of Table 1 as applying to Interconnection shall cease to have effect in relation to Interconnect Circuits.

Table 1: Relevant markets and area for the purposes of this Schedule

Column 1: Relevant market, services or area	Column 2: Applicable SMP condition as set out in Part 3 of this Schedule 1
Wholesale call termination services that are provided by the Dominant Provider to another communications provider, for the termination of voice calls to geographic numbers in the area served by the Dominant Provider (WCT)	Conditions: 1, 2, 3A, 3B, 4, 7 and 8.
Interconnection	Conditions: 1, 2, 3C, 4, 5, 6, 7 and 8.

The conditions referred to in Column 2 of **Table 1** above are entitled as follows—

Condition 1	Network access on reasonable request
Condition 2	No undue discrimination
Condition 3A	Charge controls (WCT) - UK calls
Condition 3B	Charge controls (WCT) - Non-UK calls
Condition 3C	Charge controls (Interconnect Circuits)
Condition 4	Publication of a Reference Offer
Condition 5	Notification of charges
Condition 6	Quality of service
Condition 7	Publication of a migration timetable
Condition 8	Regulatory Financial Reporting

Part 2 – Interpretation

In addition to the definitions set out above in this Notification and in each of the conditions below (where relevant), in this Schedule 1 —

- (a) “**Access Agreement**” means an agreement entered into between the Dominant Provider and a Third Party for the provision of network access in accordance with Condition 1;
- (b) “**Consumer Prices Index**” means the index of prices compiled by an agency or a public body on behalf of Her Majesty’s Government or a governmental department (which is the Office for National Statistics at the time of publication of this Notification) from time to time in respect of all items;
- (c) “**CSI**” means customer sited interconnect;
- (d) “**Dominant Provider**” means BT.
- (e) “**IEC**” means interconnection extension circuits;
- (f) “**Interconnect Circuits**” mean any and all of the following specific services provided by BT in accordance with Condition 1:
 - i. standard CSI connection;
 - ii. standard CSI rental – fixed;
 - iii. standard CSI rental – per km;
 - iv. high performance CSI connection;
 - v. high performance CSI rental – fixed;
 - vi. high performance CSI rental – per km;
 - vii. ISI connection;
 - viii. ISI rental per 100m;
 - ix. IEC connection;
 - x. IEC rental – fixed;
 - xi. IEC rental per km;
 - xii. intra-building circuits connection;
 - xiii. intra-building circuits rental;
 - xiv. rearrangements;
 - xv. path protection connection per 34Mbit/s;
 - xvi. path protection connection per 140Mbit/s;
 - xvii. path protection rental per 34Mbit/s; and
 - xviii. path protection rental per 140Mbit/s;
- (g) “**Interconnection**” means services provided by the Dominant Provider in association with the provision of wholesale call termination services to enable interconnection by means of Interconnect Circuits or at an IP Point of Connection;
- (h) “**IP Point of Connection**” means a point at which the Dominant Provider’s electronic communications network and a Third Party’s electronic communications network are connected by means of internet protocol technology;

- (i) **“ISI”** means in-span interconnect links;
- (j) **“Reference Offer”** means the terms and conditions on which the Dominant Provider is willing to enter into an Access Agreement;
- (k) **“Third Party”** means a person providing a public electronic communications service or a person providing a public electronic communications network.

Part 3 – Conditions

Condition 1 - Network access on reasonable request

- 1.1
WCT &
Interconnection** Except insofar as Ofcom may from time to time otherwise consent in writing, the Dominant Provider must provide network access to a Third Party where that Third Party, in writing, reasonably requests it.
- 1.2
WCT &
Interconnection** Subject to Condition 1.3, the provision of network access by the Dominant Provider in accordance with this Condition must:
- (a) take place as soon as reasonably practicable after receiving the request from a Third Party; and
 - (b) be on:
 - i. fair and reasonable terms, conditions and charges;
 - ii. such terms, conditions and charges as Ofcom may from time to time direct.
- 1.3
WCT &
Interconnection** To the extent that Condition 3A, 3B or 3C applies to the provision of network access by the Dominant Provider in accordance with this Condition, such network access must:
- (a) take place as soon as reasonably practicable after receiving the request from a Third Party; and
 - (b) be on:
 - i. fair and reasonable terms and conditions (excluding charges); and
 - ii. such terms and conditions (excluding charges) as Ofcom may from time to time direct.
- 1.4
WCT &
Interconnection** From 1 April 2025 or such other date as Ofcom may direct, where for the purposes of this Condition a Third Party requests network access at an IP Point of Connection, the Dominant Provider must provide it on terms, conditions and charges which are no less favourable than its published Reference Offer under Condition 4 for the provision of network access at that IP Point of Connection.
- 1.5
WCT &
Interconnection** The provision of network access by the Dominant Provider in accordance with this Condition includes the provision of such associated facilities as are reasonably necessary for the provision of network access and such other entitlements as Ofcom may from time to time direct.
- 1.6
WCT &
Interconnection** The Dominant Provider must comply with any direction Ofcom may make from time to time under this Condition.

Condition 2 – No undue discrimination

2.1
WCT &
Interconnection The Dominant Provider must not unduly discriminate against particular persons or against a particular description of persons in relation to the provision of network access in accordance with Condition 1.

2.2
WCT &
Interconnection Without prejudice to the generality of Condition 2.1, in this Condition, the Dominant Provider may be deemed to have shown undue discrimination if it unfairly favours to a material extent an activity carried on by it so as to place one or more Third Parties at a competitive disadvantage in relation to activities carried on by the Dominant Provider.

Condition 3A – wholesale call termination charge control – UK calls

- 3A.1
WCT** The Dominant Provider must ensure that for each Call on any day, during any Relevant Period, the Call Termination Charge (which shall be expressed in pence per minute) does not exceed the Charge Ceiling.
- 3A.2
WCT** Except where Ofcom otherwise consents in writing, for the purposes of Condition 3A.1, the Charge Ceiling is –
1. for any Call on a day in the First Relevant Period, 0.0292 pence per minute;
 2. for any Call on a day in the Second Relevant Period, $0.0292 \times (100\% + CPI_1)$ pence per minute;
 3. for any Call on a day in the Third Relevant Period, calculated by employing the formula $0.0292 \times (100\% + CPI_1) \times (100\% + CPI_2)$ expressed as being pence per minute and rounded to four decimal places;
 4. for any Call on a day in the Fourth Relevant Period, calculated by employing the formula $0.0292 \times (100\% + CPI_1) \times (100\% + CPI_2) \times (100\% + CPI_3)$ expressed as being pence per minute and rounded to four decimal places;
 5. for any Call on a day in the Fifth Relevant Period, calculated by employing the formula $0.0292 \times (100\% + CPI_1) \times (100\% + CPI_2) \times (100\% + CPI_3) \times (100\% + CPI_4)$ expressed as being pence per minute and rounded to four decimal places;
 6. for any Call on a day in the Sixth Relevant Period, calculated by employing the formula $0.0292 \times (100\% + CPI_1) \times (100\% + CPI_2) \times (100\% + CPI_3) \times (100\% + CPI_4) \times (100\% + CPI_5)$ expressed as being pence per minute and rounded to four decimal places.
- 3A.3
WCT** The Dominant Provider must comply with any direction Ofcom may make from time to time under this Condition.
- 3A.4
WCT** In this Condition 3A,
- a) **“Call”** means a voice call which originates on a public electronic communications network (whether fixed or mobile) in the UK and is terminated to a geographic number in the area served by the Dominant Provider;
 - b) **“Call Termination Charges”** means the charge or charges made by the Dominant Provider to terminate a Call;

- c) **"CPI₁"** means the amount of the change in the Consumer Prices Index in the period of twelve months ending on 31 December 2020 expressed as a percentage (rounded to one decimal place);
- d) **"CPI₂"** means the amount of the change in the Consumer Prices Index in the period of twelve months ending on 31 December 2021 expressed as a percentage (rounded to one decimal place);
- e) **"CPI₃"** means the amount of the change in the Consumer Prices Index in the period of twelve months ending on 31 December 2022 expressed as a percentage (rounded to one decimal place);
- f) **"CPI₄"** means the amount of the change in the Consumer Prices Index in the period of twelve months ending on 31 December 2023 expressed as a percentage (rounded to one decimal place);
- g) **"CPI₅"** means the amount of the change in the Consumer Prices Index in the period of twelve months ending on 31 December 2024 expressed as a percentage (rounded to one decimal place);
- h) **"Dominant Provider"** means BT;
- i) **"pence per minute"** means the sum in pence charged for a minute of a Call;
- j) **"Relevant Period"** means any of the following:
 - i) the period of two months beginning on 1 April 2021 and ending on 31 May 2021 (the "First Relevant Period");
 - ii) the period of ten months beginning on 1 June 2021 and ending on 31 March 2022 (the "Second Relevant Period");
 - iii) the period of twelve months beginning on 1 April 2022 and ending on 31 March 2023 (the "Third Relevant Period");
 - iv) the period of twelve months beginning on 1 April 2023 and ending on 31 March 2024 (the "Fourth Relevant Period");
 - v) the period of twelve months beginning on 1 April 2024 and ending on 31 March 2025 (the "Fifth Relevant Period");
 - vi) the period of twelve months beginning on 1 April 2025 and ending on 31 March 2026 (the "Sixth Relevant Period");

Condition 3B – Wholesale Call Termination – Non-UK calls.

- 3B.1
WCT** The Dominant Provider must ensure that for each International Call on any day during any Relevant Period the International Call Termination Charge (which shall be expressed in pence per minute) does not exceed the Maximum International Call Termination Charge calculated in accordance with Condition 3B.2.
- 3B.2
WCT** In respect of each International Communications Provider, the Maximum International Call Termination Charge is an amount expressed in pence per minute which is equal to:
- a) the sum of the Dominant Provider’s Call Termination Charge and the Surcharge (where the Surcharge is a positive number); or
 - b) the Dominant Provider’s Call Termination Charge (where the Surcharge is a negative number).
- 3B.3
WCT** The Surcharge is the International Communications Provider’s Reciprocal Charge minus the Dominant’s Provider’s Call Termination Charge.
- The Surcharge shall be calculated as soon as reasonably practicable after the first day of the First Relevant Period and thereafter as soon as reasonably practicable after any change made by the International Communications Provider of its Reciprocal Charge or, in the absence of any such change in any Relevant Period, on the first day of the following Relevant Period.
- 3B.4
WCT** For the purposes of paragraph 3B.3, Reciprocal Charge means the rate which is:
- a) charged by the International Communications Provider for terminating a voice call originated in the UK by the Dominant Provider; and
 - b) expressed in pence per minute, by applying the average of the relevant daily spot exchange rates against sterling published by the Bank of England over the 12 month period ending on the date of the calculation.
- 3B.5
WCT** Without prejudice to Ofcom’s statutory information gathering powers, the Dominant Provider must provide to Ofcom in writing at any time upon reasonable notice any information reasonably required by Ofcom for the Dominant Provider to demonstrate compliance with this condition.
- 3B.6
WCT** The Dominant Provider must comply with any direction Ofcom may make from time to time under this Condition.
- 3B.7
WCT** In this Condition 3B,
- a) “**Call Termination Charge**” means the charge or charges made by the Dominant Provider to terminate a Domestic Call

- b) **“Domestic Call”** means a voice call which is originated in the UK and is terminated to a geographic number in the area served by the Dominant Provider;
- c) **“International Call”** means a voice call which is originated by an International Communications Provider outside of the UK and is terminated to a geographic number in the area served by the Dominant Provider;
- d) **“International Call Termination Charge”** means the charge or charges made by a Dominant Provider for terminating an International Call.
- e) **“International Communications Provider”** means a person who terminates voice calls made to a number outside of the UK and which are originated by the Dominant Provider;
- f) **“Maximum International Termination Charge”** has the meaning given in Condition 3B.2;
- g) **“pence per minute”** means the sum in pence charged for a minute of a voice call;
- h) **“Reciprocal Charge”** has the meaning given in Condition 3B.4;
- i) **“Relevant Period”** has the meaning given in Condition 3A.4;
- j) **“Surcharge”** has the meaning given in Condition 3B.3.

Condition 3C- Interconnect circuits charge control

3C.1 Interconnection The Dominant Provider must take all reasonable steps to secure that, at the end of each Relevant Period, the Percentage Change, C_t , (as determined in accordance with Condition 3C.2) in the aggregate of Charges for all of the services listed in the Annex to this Condition 3C (all such services together referred to as the “Basket”) is not more than the Controlling Percentage, CP_t , (as determined in accordance with Condition 3C.3, or Condition 3C.6 if the circumstances in Condition 3C.4 or 3C.5 prevail).

3C.2 Interconnection The Percentage Change for the purpose of the Basket specified in Condition 3C.1 shall be calculated by employing the following formula:

$$C_t = \frac{\sum_{i=1}^n \left[R_i \frac{(\bar{p}_{i,t} - \bar{p}_{i,t-1})}{\bar{p}_{i,t-1}} \right]}{\sum_{i=1}^n R_i}$$

Where:

C_t is the Percentage Change in the aggregate of charges for the services in the Basket for Relevant Period t ;

n is the number of services in the Basket;

i is a number from 1 to n for each of the n services in the Basket;

R_i is the External Revenue accrued during the Prior Financial Year in respect of service, i ;

t , refers to the Relevant Period;

$t-1$, refers to the Prior Period;

$\bar{p}_{i,t}$ is the Relevant Period Weighted Average Charge made by the Dominant Provider for service, i :

Where such Relevant Period Weighted Average Charge shall be calculated by employing the following formula:

$$\bar{p}_{i,t} = \sum_{j=1}^m (w_{i,j,t} p_{i,j,t})$$

Where:

m is the number of time periods for which there are distinct Charges during the Relevant Period;

j is a number from 1 to m for each of the m time periods during which a Charge is in effect;

$w_{i,j,t}$ is the proportion of the Relevant Period in which each charge, $p_{i,j,t}$, is in effect, calculated by the number of days during which the charge is in effect and dividing

- (1) for the First Relevant Period, by 365;
- (2) for the Second Relevant Period, by 365;
- (3) for the Third Relevant Period, by 366; and
- (4) for the Fourth Relevant Period, by 365.

$p_{i,j,t}$ is the Charge for the specified time period, j , during the Relevant Period t , for the specific service, i ;

$\bar{p}_{i,t-1}$ is the Prior Period Weighted Average Charge made by the Dominant Provider for service, i ;

Where such Prior Period Weighted Average Charge shall be calculated by employing the following formula:

$$\bar{p}_{i,t-1} = \sum_{j=1}^m (w_{i,j,t-1} p_{i,j,t-1})$$

Where:

m is the number of time periods for which there are distinct charges during the Prior Period;

j is a number from 1 to m for each of the m time periods during which a Charge is in effect;

$w_{i,j,t-1}$ is the proportion of the Prior Period in which each charge, $p_{i,j,t-1}$, is in effect, calculated by the number of days during which the charge is in effect and dividing:

- (1) for the First Prior Period, by 365;
- (2) for the Second Prior Period, by 365;
- (3) the Third Prior Period, by 365;
- (4) the Fourth Prior Period by, by 366.

and

$p_{i,j,t-1}$ is the charge for the specified time period, j , during the Prior Period, $t-1$, for the specific service, i ;

3C.3 Interconnection Subject to Conditions 3C.4, 3C.5 and 3C.6, the Controlling Percentage, CP_t , in relation to any Relevant Period is $CPI+0\%$.

3C.4 Interconnection Where the Percentage Change in either the First Relevant Period or the Second Relevant Period or the Third Relevant Period is less than the Controlling Percentage (the "Deficiency"), then the Controlling Percentage for the following Relevant Period shall be determined in accordance with Condition 3C.6.

3C.5 Interconnection Where the Percentage Change in either the First Relevant Period or the Second Relevant Period or the Third Relevant Period is more than the Controlling

Percentage (the “Excess”), then the Controlling Percentage for the following Relevant Period shall also be determined in accordance with Condition 3C.6.

3C.6 Interconnection In the case of Deficiency (defined in Condition 3C.4 above) or Excess (defined in Condition 3C.5 above), the Controlling Percentage will be calculated by employing the following formula:

$$CP_t = [(100\% + CPI + X)(100\% + CP_{t-1}) / (100\% + C_{t-1})] - 100\%$$

Where:

CP_t is the Controlling Percentage for the Second Relevant Period (in case of Deficiency or Excess in the First Relevant Period) or for the Third Relevant Period (in case of Deficiency or Excess in the Second Relevant Period) or for the Fourth Relevant Period (in case of Deficiency or Excess in the Third Relevant Period);

C_{t-1} is the Percentage Change in the aggregate of Charges for the services in the Basket during the First Relevant Period (in case of Deficiency or Excess in the First Relevant Period) or for the Second Relevant Period (in case of Deficiency or Excess in the Second Relevant Period) or for the Third Relevant Period (in case of Deficiency or Excess in the Third Relevant Period), calculated in accordance with the formula for C_t set out in Condition 3C.2.

X is 0%.

3C.7 Interconnection Where the Percentage Change in any Relevant Period is more than the Controlling Percentage, the Dominant Provider must, to the extent reasonably possible, and as soon as reasonably practicable, repay the Relevant Excess Revenue to every Affected Communications Provider.

3C.8 Interconnection The Dominant Provider must also and, in any event, take all reasonable steps to secure that, at the end of each Relevant Period, the Percentage Change in the Charge for each and every service listed in the Annex to this Schedule 1 is not more than $CPI+X+Y$, where Y is 10%.

For the purpose of this Condition 3C.8, the Percentage Change shall be calculated by employing the following formula:

$$C_i = \frac{(\bar{p}_{i,t} - \bar{p}_{i,t-1})}{\bar{p}_{i,t-1}}$$

Where

C_i is the Percentage Change for the Relevant Period for each service, i ; and

$\bar{p}_{i,t}$ and $\bar{p}_{i,t-1}$ are as defined in Condition 3C.2 above.

3C.9 Interconnection Where

- (1) the Dominant Provider makes a material change (other than to a Charge) to any service which is subject to this Condition 3C; or
- (2) the Dominant Provider makes a change to the date on which its financial year ends,

Conditions 3C.1 to 3C.8 shall have effect subject to such reasonable adjustment to take account of the change as Ofcom may direct to be appropriate in the circumstances.

For the purposes of this paragraph, a material change to any service which is subject to this Condition 3C includes the introduction of a new service wholly or substantially in substitution for that existing service.

**3C.10
Interconnection**

The Dominant Provider must record, maintain and supply to Ofcom in an electronic format, no later than five months after the end of each Relevant Period, the data necessary for Ofcom to monitor compliance of the Dominant Provider with the price control. The data shall include:

- i. pursuant to Condition 3C.2, the calculated Percentage Change relating to the aggregate of Charges for all of the services in the Basket;
- ii. all relevant data the Dominant Provider used in the calculation of the Percentage Change including for each specific service;
- iii. all relevant Total Revenues during the Relevant Year in respect of the individual service (as applicable) in the Basket and source and calculations thereof;
- iv. all Charges published by the Dominant Provider from time to time during the Relevant Period and the Prior Period, including the dates and time periods during which they were in force;
- v. the Relevant Period Weighted Average Charges and the Prior Period Weighted Average Charges for all of the services in the Basket and calculations thereof;
- vi. other data necessary for monitoring compliance with the charge control; and
- vii. such data as Ofcom may from time to time direct.

All relevant revenues in respect of a specific service in the Basket are to be provided to at least the nearest £1,000.

**3C.11
Interconnection**

The information provided to Ofcom under (i) to (vii) must be accompanied by a statement from a person independent from the Dominant Provider providing assurance on the data. This assurance shall be in the form of Agreed Upon Procedures. The statement provided to Ofcom by the person independent from

the Dominant Provider must set out the results of the tests carried out in order to give the Agreed Upon Procedures assurance.

3C.12 Interconnection The Dominant Provider must comply with any direction Ofcom may make from time to time under this Condition.

3C.13 Interconnection In this Condition 3C:

- a) **“Affected Communications Provider”** means each communications provider to whom the Dominant Provider has provided any of the services listed in the Annex to this Condition 3C during the Relevant Period;
- b) **“Agreed Upon Procedures”** means an engagement carried out in accordance with international standard (ISRS 4400) under which a person independent from the Dominant Provider performs a set of audit procedures agreed by Ofcom and based on Ofcom’s specific requirements and reports the findings of that work to Ofcom;
- c) **“Basket”** has the meaning as described in Condition 3C.1;
- d) **“Call”** means a voice call which is terminated to a United Kingdom geographic number that has been allocated by Ofcom under the National Telephone Numbering Plan to the Dominant Provider
- e) **“Charge”** means, the published charge rounded to the nearest penny (being the amount offered or charged by the Dominant Provider, excluding any discounts), to a communications provider for a unit of any of the services subject to this Condition 3C;
- f) **“Controlling Percentage”** is to be determined in accordance with Condition 3C.3 or Condition 3C.6 if the circumstances in Condition 3C.4 or Condition 3C.5 prevail;
- g) **“CPI”** means, in relation to the First Relevant Period, the Second Relevant Period, the Third Relevant Period and the Fourth Relevant Period, the amount of the change in the Consumer Prices Index in the period of twelve months ending on [31 December] immediately before the beginning of the Relevant Period, expressed as a percentage (rounded to one decimal place) of that Consumer Prices Index as at the beginning of that first mentioned period;
- h) **“Excess Revenue”** means the difference between the revenue which the Dominant Provider earned in the Relevant Period from providing the services listed in the Annex to this Schedule and the revenue the Dominant Provider would have earned in the Relevant Period from providing the services listed in the Annex to this Condition 3C if it had complied with Condition 3C.1;

- i) **“External Revenue”** means revenue from communications providers, other than the Dominant Provider, gross of any revenue shares or discounts in relation to the services subject to this Condition 3C, accounting only for the interconnect circuits connected at BT terminating or originating switches, this is, in general, the DLEs;
- j) **“Percentage Change”** is to be determined in accordance with Condition 3C.2;
- k) **“Prior Financial Year”** means the period of twelve months ending on 31 March immediately preceding the Relevant Period in question;
- l) **“Prior Period”** means each of the following four years:
 - i) In relation to the First Relevant Period, the period beginning 1 April 2020 and ending 31 March 2021 (the **“First Prior Period”**);
 - ii) In relation to the Second Relevant Period, the period beginning 1 April 2021 and ending 31 March 2022 (the **“Second Prior Period”**); and
 - iii) In relation to the Third Relevant Period, the period beginning 1 April 2022 and ending 31 March 2023 (the **“Third Prior Period”**);
 - iv) In relation to the Fourth Relevant Period, the period beginning 1 April 2023 and ending 31 March 2024 (the **“Fourth Prior Period”**);
- m) **“Prior Period Weighted Average Charge”** is to be determined in accordance with the relevant formula in Condition 3C.2;
- n) **“Relevant Excess Revenue”** means the Excess Revenue earned from charging the Affected Communications Provider;
- o) **“Relevant Period”** means any of the following:
 - i) the period of twelve months beginning on 1 April 2021 and ending on 31 March 2022 (the **“First Relevant Period”**);
 - ii) the period of twelve months beginning on 1 April 2022 and ending on 31 March 2023 (the **“Second Relevant Period”**);
 - iii) the period of twelve months beginning on 1 April 2023 and ending on 31 March 2024 (the **“Third Relevant Period”**);
 - iv) the period of twelve months beginning on 1 April 2024 and ending on 31 March 2025 (the **“Fourth Relevant Period”**);

- p) **“Relevant Period Weighted Average Charge”** is to be determined in accordance with the relevant formula in Condition 3C.2.

Annex to Condition 3C – Services subject to the interconnect circuits charge control¹

- i. External wholesale standard Customer-Sited Interconnect connections;
- ii. External wholesale standard Customer-Sited Interconnect rentals – fixed;
- iii. External wholesale standard Customer-Sited Interconnect rentals - per km;
- iv. External wholesale interconnection extension circuits connections;
- v. External wholesale interconnection extension circuits rentals – fixed;
- vi. External wholesale interconnection extension circuits rentals - per km;
- vii. External wholesale intra-building circuits connections;
- viii. External wholesale intra-building circuits rentals;
- ix. External wholesale in-span interconnection links rentals;
- x. External nominated in-span interconnection links - per km; and
- xi. External wholesale rearrangements.

¹ These account only for the interconnect circuits connected at the DLEs. These charges correspond to the [Carrier Price List](#), Sections B2.01, B2.02.1 and B2.02.2.

Condition 4 - Publication of a Reference Offer

4.1 WCT & Interconnection Except in so far as Ofcom may from time to time otherwise consent in writing, the Dominant Provider must publish a Reference Offer in relation to the provision of network access pursuant to Condition 1 and comply with the requirements set out below.

4.2 WCT & Interconnection Subject to Condition 4.8 below, the Dominant Provider must ensure that a Reference Offer in relation to the provision of network access pursuant to Condition 1 includes, where applicable, at least the following:

- (a) a description of the network access to be provided, including technical characteristics (which shall include information on network configuration where necessary to make effective use of network access);
- (b) the locations at which network access will be provided;
- (c) any relevant technical standards for network access (including any usage restrictions and other security issues);
- (d) the conditions for access to ancillary, supplementary and advanced services (including operational support systems, information systems or databases for pre-ordering, provisioning, ordering, maintenance and repair requests and billing);
- (e) any ordering and provisioning procedures;
- (f) relevant charges, terms of payment and billing procedures;
- (g) details of interoperability tests;
- (h) details of traffic and network management;
- (i) details of maintenance and quality as follows:
 - i. specific time scales for the acceptance or refusal of a request for supply and for completion, testing and hand-over or delivery of services and facilities, for provision of support services (such as Fault handling and repair);
 - ii. service level commitments, namely the quality standards that each party must meet when performing its contractual obligations;
 - iii. the amount of compensation payable by one party to another for failure to perform contractual commitments;
 - iv. a definition and limitation of liability and indemnity; and
 - v. procedures in the event of alterations being proposed to the service offerings, for example, launch of new services, changes to existing services or change to prices;

- (j) details of measures to ensure compliance with requirements for network integrity;
- (k) details of any relevant intellectual property rights;
- (l) a dispute resolution procedure to be used between the parties;
- (m) details of duration and renegotiation of agreements;
- (n) provisions regarding confidentiality of the agreements;
- (o) rules of allocation between the parties when supply is limited (for example, for the purpose of co-location or location of masts);
- (p) the standard terms and conditions for the provision of network access.

**4.3
WCT &
Interconnection**

To the extent that the Dominant Provider provides to itself network access that:

- (a) is the same, similar or equivalent to that provided to any other Third Party; or
- (b) may be used for a purpose that is the same, similar or equivalent to that provided to any other Third Party,

in a manner that differs from that detailed in a Reference Offer in relation to network access provided to any other Third Party, the Dominant Provider must ensure that it publishes a Reference Offer in relation to the network access that it provides to itself which includes, where relevant, at least those matters detailed in Condition 4.2.

**4.4
WCT &
Interconnection**

With the exception of Interconnection at an IP Point of Connection, the Dominant Provider must, on the date that this Condition enters into force, publish a Reference Offer in relation to any network access that it is providing as at the date that this Condition enters into force. The Dominant Provider must publish no later than 1 October 2021 a Reference Offer for the provision of Interconnection by means of an IP Point of Connection.

**4.5
WCT &
Interconnection**

The Dominant Provider must as soon as reasonably practicable update and publish the Reference Offer in relation to any amendments or in relation to any further network access provided after the date that this Condition enters into force.

**4.6
WCT &
Interconnection**

Publication referred to above shall be effected by placing a copy of the Reference Offer on any relevant publicly accessible website operated or controlled by the Dominant Provider.

**4.7
WCT &
Interconnection**

The Dominant Provider must send a copy of the current version of the Reference Offer to any person at that person's written request (or such parts as have been requested).

**4.8
WCT &
Interconnection**

The Dominant Provider must make such modifications to the Reference Offer as Ofcom may direct from time to time.

**4.9
WCT &
Interconnection**

The Dominant Provider must provide network access at the charges, terms and conditions in the relevant Reference Offer and must not depart therefrom either directly or indirectly.

4.10 The Dominant Provider must comply with any direction Ofcom may make from time to time
WCT & under this Condition.
Interconnection

4.11 In this Condition 4 —
WCT & “**Fault**” means a degradation or problem with network access that is identified by the
Interconnection Dominant Provider or a Third Party and which is registered on the Dominant Provider’s
operational support system.

Condition 5 - Notification of charges

5.1 Interconnection Except in so far as Ofcom may from time to time otherwise consent in writing, the Dominant Provider must publish charges and act in the manner set out in this Condition.

5.2 Interconnection Where it proposes an Access Charge Change, the Dominant Provider must send to every person with which it has entered into an Access Agreement pursuant to Conditions, an Access Charge Change Notice.

5.3 Interconnection The obligation in Condition 5.2 will not apply where the Access Charge Change is directed or determined by Ofcom (including pursuant to the setting of an SMP services condition under the power in section 45 of the Act) or required by a notification or enforcement notification issued by Ofcom under sections 96A or 96C of the Act.

5.4 Interconnection An Access Charge Change Notice in the case of an Access Charge Change involving network access pursuant to Condition 1 must be sent not less than 56 days before any such amendment comes into effect.

5.5 Interconnection The Dominant Provider must ensure that an Access Charge Change Notice includes:

- (a) a description of the network access in question;
- (b) a reference to the location in the Dominant Provider's current Reference Offer of the terms and conditions associated with the provision of that network access;
- (c) the date on which, or the period for which, the Access Charge Change will take effect (the "effective date"); and
- (d) the current and proposed new charge.

5.6 Interconnection The Dominant Provider must not apply any Access Charge Change identified in an Access Charge Change Notice before the effective date.

5.7 Interconnection To the extent that the Dominant Provider provides to itself network access that:

- (a) is the same, similar or equivalent to that provided to any other person;
or
- (b) may be used for a purpose that is the same, similar or equivalent to that provided to any other person,

in a manner that differs from that detailed in an Access Charge Change Notice in relation to network access provided to any other person, the Dominant Provider must ensure that it sends to Ofcom a notice in relation to the network access that it provides to itself which includes, where relevant, at least those matters detailed in Conditions 5.5(a) to (d) and where the Dominant Provider amends the charges

on which it provides itself with network access, it must ensure it sends to Ofcom a notice equivalent to an Access Charge Change Notice.

**5.8
Interconnection**

In this Condition 5:

- i. **“Access Charge Change Notice”** means a notice given by the Dominant Provider of an Access Charge Change;
- ii. **“Access Charge Change”** means any amendment to the Dominant Provider’s charges for the provision of network access or for new network access.

Condition 6 - Quality of service

- 6.1** The Dominant Provider must publish all such information as to the quality of service
Interconnection in relation to network access provided by the Dominant Provider pursuant to
 Condition 1, in such manner and form, and including such content, as Ofcom may
 from time to time direct.

Condition 7 – Publication of a Migration Timetable

- 7.1
WCT &
Interconnection** This Condition applies where the Dominant Provider proposes to change the locations at which network access is provided under Condition 1 to IP Points of Connection.
- 7.2
WCT &
Interconnection** The Dominant Provider must publish a Migration Timetable which includes the following information:
- a. the date on which it proposes to change each location, which is no earlier than 12 months after the date of publication;
 - b. the date on which it will confirm that the proposed change will occur, which must be no less than 3 months before the specified date of the proposed change;
 - c. the period during which network access is provided at the original location and the new location, which must be no less than 1 month from the date of the change.
- 7.3
WCT &
Interconnection** The Migration Timetable must provide for the last change of location to be no later than 31 March 2025, or such other date as Ofcom may direct, and must, as far as is reasonably practicable, ensure that the dates specified in the Migration Timetable are evenly spread between the earliest date specified for a change of location and the latest.
- 7.4
WCT &
Interconnection** The Dominant Provider must consult Ofcom and any Third Party with which it has an Access Agreement in a timely manner and in any event not less than two months before the publication of the Migration Timetable, about its proposals and consider every representation that it receives.
- 7.5
WCT &
Interconnection** The Dominant Provider must publish its Migration Timetable by no later than 1 June 2022, or such other date as Ofcom may direct.
- 7.6
WCT &
Interconnection** Where the Dominant Provider proposes to vary a date specified in the Migration Timetable for a proposed location change, it must:
- a. publish a notice setting out the revised date on which the change will occur, which must be:
 - i) no earlier than the date specified in the Migration Timetable change or any subsequent revised date for that change;
 - ii) at least 3 months after the date on which the notice is published;
 - b. publish a revised Migration Timetable.
- 7.7
WCT &
Interconnection** For the purposes of this Condition, publication must be effected by placing a copy of the document on any relevant publicly accessible website operated or controlled by the Dominant Provider.
- 7.8
WCT &
Interconnection** The Dominant Provider must comply with any direction Ofcom may make from time to time under this Condition 7.
- 7.9** In this Condition 7:

**WCT &
Interconnection**

- a. **“Migration Timetable”** means the timetable for changes to the locations at which network access is provided under Condition 1, which the Dominant Provider proposes to make during the Relevant Period with a view to decommissioning legacy infrastructure;
- b. **“Relevant Period”** means the period from 1 April 2021 to 31 March 2026.

Condition 8 – Regulatory Financial Reporting

Interpretation

8.1

In this Condition 8, the following terms shall have the following meanings:

WCT &

Interconnection

- a) **“Accounting Methodology Documents”** means the documentation maintained by the Dominant Provider setting out in detail the rules, policies, methods, allocations, calculations, assumptions, procedures and Processes used by the Dominant Provider for the purpose of preparing Regulatory Financial Statements in accordance with the Regulatory Accounting Principles;
- b) **“Accounting Policies”** means the manner in which the Dominant Provider applies the requirements of the Regulatory Accounting Principles in each of the Regulatory Financial Statements;
- c) **“Alternative Regulatory Auditor”** means any auditor not for the time being appointed as the Dominant Provider’s Regulatory Auditor;
- d) **“Additional Procedures”** means an engagement under which the Regulatory Auditor or another independent third party performs a set of procedures required by Ofcom and based on Ofcom’s specific requirements in relation to the Regulatory Financial Statements, and reports the findings of that work to Ofcom;
- e) **“Attribution Methods”** means the practices used by the Dominant Provider to attribute revenue (including appropriate Transfer Charges), costs (including appropriate Transfer Charges), assets and liabilities to activities or other attribution layers and on to SMP Wholesale Services, Non-SMP Wholesale Services, and Retail Services;

- f) **“Basket”** means any group of SMP Wholesale Services (described as a basket) on which the Dominant Provider is required by a direction given under this SMP condition to report;
- g) **“Change Control Notification”** has the meaning given to it in Condition 8.28;
- h) **“Current Year Figures”** means, in relation to any set of Regulatory Financial Statements, the amounts relating to the Financial Year to which the statements relate;
- i) **“External Wholesale Services”** means Wholesale Services available for use by communications providers other than the Dominant Provider (which for the avoidance of doubt may also be available for use by the Dominant Provider);
- j) **“Financial Year”** means a financial year of the Dominant Provider in respect of which the Statutory Financial Statements are required to be (or to have been) prepared and audited in accordance with the requirements of the Companies Act 2006;
- k) **“ICAEW Guidance”** means the most recent guidance issued by the Institute of Chartered Accountants in England & Wales regarding reporting to regulators on regulated accounts;
- l) **“Internal Wholesale Services”** means Wholesale Services available for use by the Dominant Provider only;
- m) **“Market”** means the markets to which these Conditions apply;
- n) **“Material Error”** means a deviation from accuracy or correctness which meets the materiality threshold directed by Ofcom from time to time for the purpose of these Conditions;
- o) **“Material Difference”** means a difference identified in a systems reconciliation report which meets the materiality threshold directed by Ofcom from time to time for the purpose of these Conditions;

- p) **“Network Component”** means an element of the network that is used to provide Wholesale Services, as specified in the Network Component List or in any direction given by Ofcom from time to time for the purposes of these Conditions;
- q) **“Network Component List”** means the document published from time to time by the Dominant Provider in accordance with these Conditions, which contains the information specified in Condition 8.24;
- r) **“Network Diagram”** means a schematic or illustration of the networks operated by BT showing how Network Components representing physical parts of the network logically relate to each other, such as exchanges, duct, poles, cables, cabinets, nodes, equipment, and connections to customer premises;
- s) **“Non-SMP Wholesale Services”** means Wholesale Services that are not comprised in a market in which the Dominant Provider has SMP;
- t) **“Prior Year Comparatives”** means, in relation to any set of Regulatory Financial Statements, the amounts relating to the Financial Year immediately preceding the Financial Year to which the Regulatory Financial Statements relate, re-evaluated if necessary to ensure that such figures are comparable to the Current Year Figures;
- u) **“Process”** means the series of inter-related activities or actions to obtain, record or hold data or information or to carry out any operation or set of operations on the data or information, including:
 - i. organisation, storage, adaptation, or alteration of the data or information;
 - ii. retrieval, consultation, computation or use of the data or information;

- iii. disclosure of the data or information by transmission, dissemination, or otherwise making available; or
- iv. alignment, combination, blocking, erasing or destruction of the data or information;
- v) **“Regulatory Accounting Methodology”** means the rules, policies, methods, allocations, calculations, assumptions and procedures used by the Dominant Provider for the purpose of preparing Regulatory Financial Statements;
- w) **“Regulatory Accounting Principles”** means the principles directed by Ofcom and given that name from time to time for the purpose of these Conditions;
- x) **“Regulatory Accounting System”** means the set of computerised and manual accounting methods, procedures, processes and controls established to determine and attribute the costs, revenues, assets and liabilities and summarise, interpret, and present the resultant financial data in an accurate and timely manner;
- y) **“Regulatory Auditor”** means the auditor for the time being appointed by the Dominant Provider in accordance with these Conditions;
- z) **“Regulatory Financial Statement”** means any financial statement in respect of a Financial Year prepared or required to be prepared by the Dominant Provider in accordance with these Conditions;
- aa) **“Retail Services”** means services used by or offered to any end users (including the Dominant Provider);
- bb) **“Shared Ancillary”** has the meaning given in Condition 11 of the WFTMR SMP Conditions Notification;

- cc) **“SMP Wholesale Services”** means Wholesale Services that are comprised in a market in which the Dominant Provider has SMP;
- dd) **“Statutory Accounting Standards”** means the accounting standards, including the requirements of the Companies Act 2006, by reference to which the Dominant Provider is required to prepare the Statutory Financial Statements;
- ee) **“Statutory Auditor”** means the auditor for the time being appointed by the Dominant Provider in accordance with the requirements of the Companies Act 2006;
- ff) **“Statutory Financial Statements”** means any annual account required to be prepared by the Dominant Provider in accordance with the requirements of the Companies Act 2006;
- gg) **“Transfer Charge”** means the charge or price that is applied, or deemed to be applied, within the Dominant Provider by one division or business unit of the Dominant Provider to another for the use or provision of an activity or group of activities. For the avoidance of doubt, such activities or group of activities include, amongst other things, Wholesale Services provided from, to or within the Market and the use of Network Components in the Market;
- hh) **“Transfer Charge System Methodology”** means the methodology of the system employed by the Dominant Provider which enables an activity to use a service or good from another activity and to account for it as though it had purchased that service or good from an unrelated party (including accounting for it at an appropriate amount);
- ii) **“WFTMR SMP Conditions Notification”** means the notification of SMP services conditions under sections 48 and 79 of the Act at Volume 7 of the WFTMR Statement.

- jj) **“Wholesale Catalogue”** means the documentation required to be produced by the Dominant Provider under Condition 8.41;
- kk) **“Wholesale Services”** means services related to network access on the Dominant Provider’s network used by or offered to any communications provider (including the Dominant Provider), including services comprised in a Market in relation to which the Dominant Provider has SMP and services that are not comprised in a Market in relation to which the Dominant Provider has SMP;

8.2
WCT & Interconnection

The Dominant Provider must maintain a separation for accounting purposes between such different matters relating to network access to the relevant network or the availability of the relevant facilities, as required by Conditions 8.4 to 8.41 including as Ofcom may from time to time direct under those Conditions 8.4 to 8.41.

8.3
WCT & Interconnection

The Dominant Provider must comply with such rules made by Ofcom about the use of cost accounting systems as required by Conditions 8.4 to 8.41 and must comply with such requirements about the description to be made available to the public of the cost accounting system as required by Conditions 8.4 to 8.41 in each case including as Ofcom may from time to time direct under Conditions 8.4 to 8.41.

8.4
WCT & Interconnection

Except in so far as Ofcom may consent otherwise in writing, the Dominant Provider shall act in the manner set out in these Conditions.

8.5
WCT & Interconnection

Ofcom may from time to time make such directions as they consider appropriate in relation to the Dominant Provider’s obligations under these Conditions.

8.6
WCT & Interconnection

The Dominant Provider shall comply with any direction Ofcom may make from time to time under these Conditions.

General requirements

8.7 Where the Dominant Provider is required to comply with:

WCT & Interconnection

- i) these Conditions; and
- ii) the Regulatory Accounting Principles,

and it appears to the Dominant Provider that any of these requirements conflict with each other in a particular case, the Dominant Provider must resolve such conflict by giving priority to them in the order in which they are set out above.

8.8 For the purpose of these Conditions, publication shall be effected by:

WCT & Interconnection

- i) placing a copy of the relevant information on any relevant publicly available website operated or controlled by the Dominant Provider; and
- ii) sending a copy of the relevant information to any person at that person's written request.

8.9 The Accounting Methodology Documents, Regulatory Financial Statements, reconciliation report and any systems reconciliation report shall be prepared such that it is reasonable to consider that a person with an understanding of regulatory accounting principles has sufficient information, clearly enough presented, to understand them.

WCT & Interconnection

Requirements relating to the preparation, audit, delivery and publication of the Regulatory Financial Statements

8.10 The Dominant Provider shall, for each Financial Year:

WCT & Interconnection

- i) prepare Regulatory Financial Statements in accordance with these Conditions, the Regulatory Accounting Principles, the Accounting Methodology Documents (the relevant Accounting Methodology Documents to be identified in the Regulatory Financial Statements by reference to their date) and any relevant directions given by Ofcom from time to time pursuant to these Conditions;
- ii) prepare a reconciliation report as set out in Condition 8.31;
- iii) secure the expression of an audit opinion upon the Regulatory Financial Statements;
- iv) secure the expression of an audit opinion on the reconciliation report as set out in Condition 8.31;
- v) secure the approval of the Regulatory Financial Statements

by the board of directors of the Dominant Provider and secure the signature of the Regulatory Financial Statements by a director of the Dominant Provider for and on behalf of the board of directors;

- vi) deliver to Ofcom copies of the Regulatory Financial Statements, the reconciliation report and all corresponding audit opinions, each and all of which shall be in the form in which they are ultimately to be published, at least two weeks before they are required to be published;
- vii) publish the Regulatory Financial Statements, the reconciliation report and all corresponding audit opinion(s), within four months after the end of the Financial Year to which they relate; and
- viii) publish with the Regulatory Financial Statements any written statement made by Ofcom and provided to the Dominant Provider commenting on the figures in, the notes to or the presentation of any or all of the Regulatory Financial Statements, the reconciliation report and/or the Accounting Methodology Documents.

8.11

**WCT &
Interconnection**

The Dominant Provider shall make such amendments to the form and content of the Regulatory Financial Statements as are necessary to give effect fully to the requirements of these Conditions. The Dominant Provider shall provide to Ofcom particulars of any such amendment, the reasons for it and its effect, when it delivers the Regulatory Financial Statements to Ofcom.

8.12

**WCT &
Interconnection**

The Dominant Provider shall prepare all Regulatory Financial Statements, explanations or other information required by virtue of these Conditions on a regulatory asset value adjusted current cost basis as directed by Ofcom from time to time and shall be capable of doing so in relation to any period. Such Regulatory Financial Statements, explanations or other information shall be, in the opinion of Ofcom, meaningfully reconcilable to the Statutory Financial Statements.

8.13

WCT &

Each Regulatory Financial Statement (with the exception of the reconciliation report required under Condition 8.10) shall include Prior Year Comparatives

Interconnection

8.14

WCT & Interconnection

The Prior Year Comparatives shall be prepared on a basis consistent with Current Year Figures. The Dominant Provider may depart from this requirement in preparing the Regulatory Financial Statements for a Financial Year if this would be consistent with Statutory Accounting Standards or where agreed with Ofcom. The reasons for the departure shall be disclosed in the Regulatory Financial Statements.

Requirements relating to audit of the Regulatory Financial Statements

8.15

WCT & Interconnection

The Regulatory Auditor that the Dominant Provider from time to time appoints shall at all times be satisfactory to Ofcom having regard to such matters as Ofcom consider appropriate. The Dominant Provider shall notify Ofcom in writing of the Regulatory Auditor appointed to secure compliance with these Conditions before the Regulatory Auditor carries out any work for that purpose. The Dominant Provider shall notify Ofcom of any proposed change of Regulatory Auditor 28 days before effect is given to that change.

8.16

WCT & Interconnection

In the event that the Regulatory Auditor is in the opinion of Ofcom unsatisfactory, the Dominant Provider shall appoint and instruct an Alternative Regulatory Auditor that is at all times satisfactory to Ofcom having regard to such matters as Ofcom consider appropriate. The Dominant Provider shall ensure that the Alternative Regulatory Auditor:

- i) carries out such on-going duties as are required to secure compliance with these Conditions;
- ii) carries out work or further work, in addition to that performed by the Statutory Auditor and/or by the former Regulatory Auditor, in relation to such matters connected to compliance with these Conditions as are of concern to Ofcom and notified to the Dominant Provider in writing;
- iii) re-performs work previously performed by the Statutory Auditor and/or by the former Regulatory Auditor in relation to such matters connected to compliance with this Condition as are of concern to Ofcom and notified to the Dominant Provider in writing.

8.17

WCT &

The Dominant Provider shall extend to the Alternative Regulatory Auditor such assistance and co-operation as it would extend to the

Interconnection Statutory Auditor and/or to the Regulatory Auditor and, to the extent similar assistance and co-operation may be required from the Statutory Auditor and/or from the former Regulatory Auditor, the Dominant Provider shall use its best endeavours to secure such assistance and co-operation.

8.18
WCT & Interconnection The Dominant Provider's letter of engagement appointing the Regulatory Auditor or Alternative Regulatory Auditor shall include such provisions acknowledging the acceptance by the Regulatory Auditor or Alternative Regulatory Auditor of duties and responsibilities to Ofcom in respect of its audit work, audit report and audit opinion as are consistent with the ICAEW Guidance.

8.19
WCT & Interconnection The Dominant Provider shall use its best endeavours to obtain from the Regulatory Auditor or Alternative Regulatory Auditor any further explanation and clarification of any audit opinion required under these Conditions and any other information in respect of the matters which are the subject of that audit opinion as Ofcom shall require.

Requirements relating to Additional Procedures on to the Regulatory Financial Statements

8.20
WCT & Interconnection The Dominant Provider shall commission Additional Procedures when requested to do by Ofcom.

Requirements relating to the Accounting Methodology Documents

8.21
WCT & Interconnection The Dominant Provider must prepare, maintain and keep up-to-date the Accounting Methodology Documents in accordance with these Conditions and with the Regulatory Accounting Principles.

8.22
WCT & Interconnection The Dominant Provider must include in the Accounting Methodology Documents documentation setting out a description of each of:

- i) its Attribution Methods;
- i) its Transfer Charge System Methodology;
- ii) its Accounting Policies;
- iii) the valuation principles used to value assets; and

iv) the Regulatory Accounting System.

8.23

**WCT &
Interconnection**

The Dominant Provider must deliver an up-to-date version of the Accounting Methodology Documents to Ofcom when it delivers the Regulatory Financial Statements to Ofcom in accordance with Condition 8.10 and publish such up-to-date version on or before the day of publication of the Regulatory Financial Statements which have been prepared in accordance with such version.

Requirements relating to Network Components

8.24

**WCT &
Interconnection**

The Dominant Provider must publish a Network Component List within four months of the end of the Financial Year,

- i) listing each of the Network Components used in the Regulatory Accounting System:
- ii) providing a description of each such Network Component; and
- iii) providing one or more diagrams showing to which part of the network, or to which activity, each of the Network Components relates (including Network Diagrams where the Network Components relate to physical parts of the network).

8.25

**WCT &
Interconnection**

As at 1 April 2021 the Network Component List must consist of the initial network components directed by Ofcom.

8.26

**WCT &
Interconnection**

Any changes to the Network Component List proposed by the Dominant Provider must be made following the Change Control Notification in accordance with Condition 8.28.

8.27

**WCT &
Interconnection**

Ofcom may direct the Dominant Provider to modify the Network Component List and to use those, (and only those), Network Components in its Regulatory Accounting System.

Requirements relating to changes to the Regulatory Accounting Methodology and the correction of Material Errors

8.28
WCT & Interconnection

The Dominant Provider must publish and deliver to Ofcom a list of each and every change to the Regulatory Accounting Methodology including any changes to the Network Component List, by 31 March of the Financial Year in which the change to the Regulatory Accounting Methodology is to be made (the “Change Control Notification”). The Change Control Notification must be accompanied by a clear description of each of the changes, the reason for making each of the changes (including by reference to their compliance with the Regulatory Accounting Principles), and the impact of each of the changes on the figures at the level of the Markets by setting out the figures which were presented in the previous Financial Year alongside the figures that would have been presented had such changes been made in the previous Financial Year.

8.29
WCT & Interconnection

Where in Ofcom’s opinion any change referred to in Condition 8.28 does not comply with these Conditions or the Regulatory Accounting Principles, the Dominant Provider shall not make such change, if so directed by Ofcom.

8.30
WCT & Interconnection

The Dominant Provider must prepare a reconciliation report as referred to in Condition 8.10 and as directed by Ofcom from time to time, which sets out changes to the Regulatory Accounting Methodology, the impact of such changes on the Regulatory Financial Statements, Material Errors corrected in the Regulatory Financial Statements and the impact of such Material Errors on the Regulatory Financial Statements.

Requirements relating to audit of the reconciliation report

8.31
WCT & Interconnection

The Dominant Provider must obtain an audit opinion on the reconciliation report when requested to do so by Ofcom.

report, which must report:

- a) whether the figures in the systems reconciliation report referred to in Condition 8.33(iii)(a) have been properly extracted from the old or unmodified Regulatory Accounting System and the new or modified Regulatory Accounting System respectively;
 - b) whether each and every difference in the systems reconciliation report referred to in Condition 8.33(iii)(a) has been correctly calculated; and
 - c) whether the explanation of each and every Material Difference in the systems reconciliation report referred to in Condition 8.33(iii)(b) is an accurate representation of the cause of each such Material Difference;
- vi) deliver the report required by (v) to Ofcom when it delivers the systems reconciliation report to Ofcom in accordance with Condition 8.33(iv);
- vii) where the systems reconciliation report referred to in Condition 8.33(iii) indicates that the replacement or modification causes the Current Year Figures contained in the Regulatory Financial Statements to be significantly different, either individually or in aggregate, from the Current Year Figures that would have been contained in the Regulatory Financial Statements had such Regulatory Financial Statements been prepared using the new or modified Regulatory Accounting System, prepare, if so requested by Ofcom, the Regulatory Financial Statements on a basis consistent with the old or unmodified Regulatory Accounting System.

Requirement for provision of data supporting the Regulatory Financial System

8.34

WCT & Interconnection

The Dominant Provider must provide to Ofcom all data and models used in the Regulatory Accounting System within four months after the end of the Financial Year to which the Regulatory Financial Statements relate, as directed by Ofcom from time to time. The data and models provided to Ofcom must enable Ofcom to replicate the outputs of the Regulatory Financial System at all attribution levels.

Requirements relating to deficiencies in the Regulatory Financial Statements and the Accounting Methodology Documents

8.35

**WCT &
Interconnection**

Where Ofcom have reasonable grounds to believe that any or all of the Regulatory Financial Statements and/or Accounting Methodology Documents are deficient, the Dominant Provider shall, where notified by Ofcom, do one or more of the following as specified by Ofcom in the notification:

- i) Publish each correction, and reasons for each correction, as necessary to resolve the deficiencies identified by Ofcom;
- ii) amend the Accounting Methodology Documents in order to remedy the deficiencies identified by Ofcom;
- iii) restate the Regulatory Financial Statements identified by Ofcom as requiring restatement in accordance with the Accounting Methodology Documents which have, where necessary, been amended pursuant to Condition 8.35(ii);
- iv) prepare a reconciliation report as set out in Condition 8.30, whereby any reference to the Regulatory Financial Statements should be understood as a reference to the restated Regulatory Financial Statements;
- v) secure in accordance with any relevant notification of Ofcom under this Condition the expression of an audit opinion on the restated Regulatory Financial Statements;
- vi) deliver to Ofcom the restated Regulatory Financial Statements, the reconciliation report and corresponding audit opinion;
- vii) publish the restated Regulatory Financial Statements, the reconciliation report and corresponding audit opinion.

Requirements relating to the maintenance of sufficient accounting records

8.36 The Dominant Provider shall maintain accounting records for a period of six years from the date on which each Regulatory Financial Statement is delivered to Ofcom.

**WCT &
Interconnection**

8.37 The Dominant Provider shall maintain the accounting records in accordance with these Conditions, the Regulatory Accounting Principles and the Accounting Methodology Documents.

**WCT &
Interconnection**

8.38 The Dominant Provider shall maintain accounting records that show and fully justify, for each of the Markets, Network Components used to provide SMP Wholesale Services, and SMP Wholesale Services,

**WCT &
Interconnection**

- i) the attribution of costs, revenues, assets and liabilities; and
- ii) the transactions underlying the costs, revenues, assets and liabilities.

8.39 The Dominant Provider shall maintain the accounting records so that they are sufficient:

**WCT &
Interconnection**

- i) to provide an adequate explanation of each Regulatory Financial Statement;
- ii) to show that any charges in relation to which the Dominant Provider is subject to Condition 3A, 3B or 3C are not unduly discriminatory; and
- iii) to show that any charges in relation to which the Dominant Provider is subject to Condition 1 comply with the obligations in that condition.

Requirements relating to the preparation and maintenance of a Wholesale Catalogue

8.40 The Dominant Provider must prepare, maintain and keep up-to-date a Wholesale Catalogue. Such Wholesale Catalogue should separately identify and describe:

WCT & Interconnection

- iv) Each SMP Wholesale Service or Basket published in the Regulatory Financial Statements,
 - a) where the SMP Wholesale Service or Basket is not a Shared Ancillary, arranged by the Market in which each service or Basket appears in the Regulatory Financial Statements; and
 - b) where the SMP Wholesale Service or Basket is a Shared Ancillary, in a schedule for Shared Ancillaries.
- i) Whether each SMP Wholesale Service published in the Regulatory Financial Statements is internally and/or externally supplied;
- ii) A mapping between each SMP Wholesale Service and/or Basket published in the Regulatory Financial Statements and the Wholesale Services included in the Regulatory Accounting System, including their service codes; and
- iii) A mapping between each SMP Wholesale Service and/or Basket published in the Regulatory Financial Statements and the services in all price lists relating to SMP Wholesale Services that are published by the Dominant Provider.

8.41

WCT & Interconnection

The Dominant Provider must deliver an up-to-date version of the Wholesale Catalogue to Ofcom when it delivers the Regulatory Financial Statements to Ofcom in accordance with Condition 8.10 and publish such up-to-date version on or before the day of publication of the Regulatory Financial Statements which have been prepared by reference to such version.

Schedule 2: SMP Conditions (Dominant Providers listed in the Annex to this Schedule)

Part 1: Application

1. The SMP conditions in Part 3 of this Schedule except where specified otherwise, apply to each of the Dominant Providers listed in the Annex to this Schedule in the relevant market listed in Column 1 of Table 1 to the extent specified in Column 2 of Table 1.
2. Save as otherwise specified in any condition, each condition will enter into force on 1 April 2021 and shall have effect until the publication of a notification under section 48(1) of the Act revoking such conditions.

Table 1: Relevant markets and area for the purposes of this Schedule

Column 1: Relevant market or area	Column 2: Applicable SMP condition as set out in Part 3 of this Schedule 1
Wholesale call termination services that are provided by the Dominant Provider to another communications provider, for the termination of voice calls to geographic numbers in the area served by the Dominant Provider (WCT)	Conditions: 1, 2A and 2B

The conditions referred to in Column 2 of **Table 1** above are entitled as follows—

Condition 1	Network access on reasonable request
Condition 2A	Charge controls (WCT) – UK calls
Condition 2B	Charge Control (WCT) – Non-UK calls

Part 2 – Interpretation

In addition to the definitions set out above in this Notification and in each of the conditions below (where relevant), in this Schedule 2 —

- (a) “**Consumer Prices Index**” means the index of prices compiled by an agency or a public body on behalf of Her Majesty’s Government or a governmental department (which is the Office for National Statistics at the time of publication of this Notification) from time to time in respect of all items;
- (b) “**Dominant Provider**” means each person named in the Annex to this Schedule 2;
- (c) “**Third Party**” means a person providing a public electronic communications service or a person providing a public electronic communications network.

Part 3 – Conditions

Condition 1 - Network access on reasonable request

- 1.1** The Dominant Provider must provide network access to a Third Party where that Third Party, in writing, reasonably requests it.
- 1.2** Except where Condition 1.3 applies, the provision of network access by the Dominant Provider in accordance with this Condition must:
- (a) take place as soon as reasonably practicable after receiving the request from a Third Party; and
 - (b) be on:
 - i) fair and reasonable terms, conditions and charges;
 - ii) such terms, conditions and charges as Ofcom may from time to time direct.
- 1.3** To the extent that Condition 2A or 2B applies to the provision of network access by the Dominant Provider in accordance with this Condition, such network access must:
- (a) take place as soon as reasonably practicable after receiving the request from a Third Party; and
 - (b) be on:
 - i) fair and reasonable terms and conditions (excluding charges); and
 - ii) such terms and conditions (excluding charges) as Ofcom may from time to time direct.
- 1.4** The provision of network access by the Dominant Provider in accordance with this Condition includes the provision of such associated facilities as are reasonably necessary for the provision of network access and such other entitlements as Ofcom may from time to time direct.
- 1.5** The Dominant Provider must comply with any direction Ofcom may make from time to time under this Condition.

Condition 2A – Wholesale Call Termination charge control (UK calls)

- 2A.1** The Dominant Provider must ensure that for each Call on any day, during any Relevant Period, the Call Termination Charge (which shall be expressed in pence per minute) does not exceed the Charge Ceiling.
- 2A.2** Except where Ofcom otherwise consents in writing, for the purposes of Condition 2A.1, the Charge Ceiling is –
1. for any Call on a day in the First Relevant Period, 0.0292 pence per minute;
 2. for any Call on a day in the Second Relevant Period, $0.0292 \times (100\% + CPI1)$ pence per minute;
 3. for any Call on a day in the Third Relevant Period, calculated by employing the formula $0.0292 \times (100\% + CPI1) \times (100\% + CPI2)$ expressed as being pence per minute and rounded to four decimal places;
 4. for any Call on a day in the Fourth Relevant Period, calculated by employing the formula $0.0292 \times (100\% + CPI1) \times (100\% + CPI2) \times (100\% + CPI3)$ expressed as being pence per minute and rounded to four decimal places;
 5. for any Call on a day in the Fifth Relevant Period, calculated by employing the formula $0.0292 \times (100\% + CPI1) \times (100\% + CPI2) \times (100\% + CPI3) \times (100\% + CPI4)$ expressed as being pence per minute and rounded to four decimal places;
 6. for any Call on a day in the Sixth Relevant Period, calculated by employing the formula $0.0292 \times (100\% + CPI1) \times (100\% + CPI2) \times (100\% + CPI3) \times (100\% + CPI4) \times (100\% + CPI5)$ expressed as being pence per minute and rounded to four decimal places.
- 2A.3** The Dominant Provider must comply with any direction Ofcom may make from time to time under this Condition.
- 2A.4** In this Condition 2A,
- a) **“Call”** means a voice call which originates on a public electronic communications network (whether fixed or mobile) in the UK and is terminated to a geographic number in the area served by the Dominant Provider;
 - b) **“Call Termination Charge”** means the charge or charges made by the Dominant Provider to terminate a Call;
 - c) **“CPI₁”** means the amount of the change in the Consumer Prices Index in the period of twelve months ending on 31 December 2020 expressed as a percentage (rounded to one decimal place);

- d) **“CPI₂”** means the amount of the change in the Consumer Prices Index in the period of twelve months ending on 31 December 2021 expressed as a percentage (rounded to one decimal place);
- e) **“CPI₃”** means the amount of the change in the Consumer Prices Index in the period of twelve months ending on 31 December 2022 expressed as a percentage (rounded to one decimal place);
- f) **“CPI₄”** means the amount of the change in the Consumer Prices Index in the period of twelve months ending on 31 December 2023 expressed as a percentage (rounded to one decimal place);
- g) **“CPI₅”** means the amount of the change in the Consumer Prices Index in the period of twelve months ending on 31 December 2024 expressed as a percentage (rounded to one decimal place);
- h) **“pence per minute”** means the sum in pence charged for a minute of a Call;
- i) **“Relevant Period”** means any of the following:
- i. the period of two months beginning on 1 April 2021 and ending on 31 May 2021 (the “First Relevant Period”);
 - ii. the period of ten months beginning on 1 June 2021 and ending on 31 March 2022 (the “Second Relevant Period”);
 - iii. the period of twelve months beginning on 1 April 2022 and ending on 31 March 2023 (the “Third Relevant Period”);
 - iv. the period of twelve months beginning on 1 April 2023 and ending on 31 March 2024 (the “Fourth Relevant Period”);
 - v. the period of twelve months beginning on 1 April 2024 and ending on 31 March 2025 (the “Fifth Relevant Period”);
 - vi. the period of twelve months beginning on 1 April 2025 and ending on 31 March 2026 (the “Sixth Relevant Period”).

Condition 2B – Wholesale Call Termination – Non-UK Calls.

2B.1
WCT The Dominant Provider must ensure that for each International Call on any day during any Relevant Period the International Call Termination Charge (which shall be expressed in pence per minute) does not exceed the Maximum International Call Termination Charge calculated in accordance with Condition 2B.2.

2B.2
WCT In respect of each International Communications Provider, the Maximum International Call Termination Charge is an amount expressed in pence per minute which is equal to:

- a) the sum of the Dominant Provider’s Call Termination Charge and the Surcharge (where the Surcharge is a positive number); or
- b) the Dominant Provider’s Call Termination Charge (where the Surcharge is a negative number).

2B.3
WCT The Surcharge is the International Communications Provider’s Reciprocal Charge minus the Dominant’s Provider’s Call Termination Charge.

The Surcharge shall be calculated as soon as reasonably practicable after the first day of the First Relevant Period and thereafter as soon as reasonably practicable after the date of any change made by the International Communications Provider of its Reciprocal Charge or, in the absence of any such change in any Relevant Period, on the first day of the following Relevant Period.

2B.4
WCT For the purposes of paragraph 2B.3, Reciprocal Charge means the rate which is:

- a) charged by the International Communications Provider for terminating a call originated in the UK by the Dominant Provider; and
- b) expressed in pence per minute, by applying the average of the relevant daily spot exchange rates against sterling published by the Bank of England over the 12 month period ending on the date of the calculation.

2B.5
WCT Without prejudice to Ofcom’s statutory information gathering powers, the Dominant Provider must provide to Ofcom in writing at any time upon reasonable notice any information reasonably required by Ofcom for the Dominant Provider to demonstrate compliance with this condition.

2B.6
WCT The Dominant Provider must comply with any direction Ofcom may make from time to time under this Condition.

2B.7
WCT In this Condition 2B,

- a) **“Call Termination Charge”** means the charge or charges made by the Dominant Provider to terminate a Domestic Call;
- b) **“Domestic Call”** means a voice call which is originated in the UK and is terminated to a geographic number in the area served by the Dominant Provider;

- c) **“International Call”** means a voice call which is originated by an International Communications Provider outside of the UK and is terminated to a geographic number in the area served by the Dominant Provider;
- d) **“International Call Termination Charge”** means the charge or charges made by a Dominant Provider for terminating an International Call.
- e) **“International Communications Provider”** means a person who terminates voice calls made to a number outside of the UK and which are originated by the Dominant Provider;
- f) **“Maximum International Termination Charge”** has the meaning given in Condition 2B.2;
- g) **“pence per minute”** means the sum in pence charged for a minute of a voice call;
- h) **“Reciprocal Charge”** has the meaning given in Condition 2B.4;
- i) **“Relevant Period”** has the meaning given in Condition 2A.4;
- j) **“Surcharge”** has the meaning given in Condition 2B.3.

Annex (list of WCT providers)

1. (AQ) Limited whose registered company number is 03663860, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
2. 08Direct Limited whose registered company number is 06428331, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
3. 24 Seven Cloud Communications Limited whose registered company number is 11710396, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
4. 4D Interactive Ltd whose registered company number is 02676756, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
5. Adepteo Limited whose registered company number is 07015559, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
6. Affiniti Integrated Solutions Ltd whose registered company number is 02817039, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
7. Alnitak GmbH whose registered entity number is HRB149805 (registered in Germany), and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
8. Aloha Telecommunications Ltd whose registered company number is 07210905, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
9. Alphatak Limited whose registered company number is 04828811, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
10. Andrews & Arnold (Numbers) Ltd whose registered company number is 04905897, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
11. Andrews & Arnold Limited whose registered company number is 03342760, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

12. Antheus Telecom Limited whose registered company number is 05480084, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
13. AQL Wholesale Limited whose registered company number is 05134355, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
14. Barritec Limited whose registered company number is 03636926, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
15. Barritel Limited whose registered company number is 04101655, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
16. Belgacom International Carrier Services whose registered company number is 0866977981, (registered in Belgium) , and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
17. Bicom Systems EURL whose registered company number is 478 993 967 (registered in Boulogne-sur-mer, France), and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
18. Business Broadcast Communications Limited whose registered company number is 6949556, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
19. Buzz Networks Limited whose registered company number is 03260342, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
20. Callitech Limited whose registered company number is 03894972, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
21. Calltracks Limited whose registered company number is 06539973, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
22. Central Technology Limited whose registered company number is 04579191, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

23. CenturyLink Communications UK Limited whose registered company number is 02495998, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
24. CFL Communications Ltd whose registered company number is 04419749, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
25. Chess Limited whose registered company number is 02797895, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
26. Cirrus Response Limited whose registered company number is 08700358, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
27. Citrus Telecommunications Ltd whose registered company number is 03517870, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
28. Cloud9 Communications Limited whose registered company number is 07153956, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
29. Cloudcall Limited whose registered company number is 05557457, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
30. Colt Technology Services whose registered company number is 02452736, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
31. Commi Holdings Limited whose registered company number is 10010319, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
32. Content Guru Limited whose registered company number is 05653869, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
33. Core Communication Services Limited whose registered company number is 05467282, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
34. Core Telecom Limited whose registered company number is 05332008, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

35. Core Telecommunications International Limited whose registered company number is 467960 (registered in Ireland), and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
36. Club Communications Ltd whose registered company number is 03408718, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
37. Daisy Communications Ltd whose registered company number is 04145329, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
38. Daotec Ltd whose registered company number is 04296038, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
39. Dial 9 Communications Limited whose registered company number is 07740921, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
40. DIDWW Ireland Limited whose registered company number is 473521 (registered in Ireland), and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
41. Digital Mail Limited whose registered company number is 02661078, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
42. Digital Select Limited whose registered company number is 06481372, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
43. Dynamic Mobile Billing Limited whose registered company number is 03383285, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
44. EG Technologies Limited whose registered company number is 07711109, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
45. Eircom (UK) Ltd whose registered company number is 03478971, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
46. Entanet International Limited whose registered company number is 03274237, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

47. Essensys (UK) Limited whose registered company number is 05959557, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
48. ETC Telecom Limited whose registered company number is 06295193, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
49. Exponential-e Limited whose registered company number is 04499567, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
50. Fido Telecom Limited whose registered company number is 05495621, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
51. Firstcom Europe UK Limited whose registered company number is 05142934, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
52. Flextel Limited whose registered company number is 02772380, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
53. Fuse 2 Communications Ltd whose registered company number is 09556526, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
54. Gamma Telecom Holdings Limited whose registered company number is 04287779, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
55. GCI Network Solutions Limited whose registered company number is 04082862, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
56. Global Reach Networks Limited whose registered company number is 04349826, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
57. Guernsey Airtel Limited, whose registered company number is 45232 (registered in Guernsey) and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

58. HighSpeed Office Limited whose registered company number is 03935705, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
59. Hospedia Limited whose registered company number is 02841021, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
60. Hyperoptic Ltd whose registered company number is 07222543, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
61. ICC Networks Limited whose registered company number is 05755098, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
62. IDE Group Voice Limited whose registered company number is 05402754, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
63. IDE Group Protect Limited whose registered company number is 03882936, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
64. IDT Global Limited whose registered company number is 03322447, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
65. IM Software Ltd whose registered company number is 04602389, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
66. Inclarity Communications Ltd whose registered company number is 07193672, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
67. i-Net Communications Group Plc whose registered company number is 04036526, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
68. iNet Telecoms Ltd whose registered company number is 05168033, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
69. Infinity Tracking Limited whose registered company number is 07192131, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

70. Intercity Telecom Limited whose registered company number is 02348040, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
71. Internet of Things Limited whose registered company number is 08092142, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
72. Interoute Networks Limited whose registered company number is 03773255, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
73. Intrado Cloud Solutions Limited whose registered company number is 03637644, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
74. Invade International Limited whose registered company number is 03660482, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
75. Invoco Ltd whose registered company number is 04465219, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
76. Invosys Limited whose registered company number is 05799390, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
77. IP Voice Networks whose registered company number is 10038775, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
78. IP Wholesale Limited whose registered company number is 09070835, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
79. IPV6 Limited whose registered company number is 06711525, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
80. IV Response Limited whose registered company number is 04318927, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

81. Jtec UK Limited whose registered company number is 05054246, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
82. Kalnet4u Ltd whose registered company number is 04655311, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
83. KCOM Group Limited whose registered company number is 02150618, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
84. Lanonyx Telecom Limited whose registered company number is 07658086, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
85. Linear Telecoms Limited whose registered company number is 06917811, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
86. Localphone Limited whose registered company number is 06085990, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
87. Magrathea Telecommunications Limited whose registered company number is 04260485, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
88. Mars Communications Limited whose registered company number is 06478834, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
89. Media Hawk Limited whose registered company number is 04432034, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
90. Media Telecom Limited whose registered company number is 07126854, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
91. Metronet (UK) Limited whose registered company number is 04975343, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
92. MI Telecom Limited whose registered company number is 02668468, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

93. Microtalk Europe Limited whose registered company number is 05317737, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
94. Minotaur Telecom Limited whose registered company number is 08147848, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
95. Mintaka Limited whose registered company number is 07064805, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
96. Mission Labs Limited whose registered company number is 10040088, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006
97. Nationwide Telephone Assistance Limited whose registered company number is 04315226, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
98. Need More Time Limited whose registered company number is 03925530, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
99. Net-Work Internet Ltd whose registered company number is 03900685, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
100. NewVoiceMedia Limited whose registered company number is 03602868, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
101. Nexbridge Communications Limited whose registered company number is 07179973, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
102. Nexus Telecommunications Limited whose registered company number is 03895766, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
103. NFON UK Ltd whose registered company number is 08510507, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

104. NG Network Consultancy Ltd whose registered company number is 06920255, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
105. Node 4 Limited whose registered company number is 04759927, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
106. Nodemax Limited whose registered company number is 06127089, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
107. Numbergroup Utilities Limited whose registered company number is 07390438, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
108. Numbers Plus Ltd whose registered company number is 07611130, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
109. Odyssey Systems Limited whose registered company number is 02517487, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
110. Optify Mediaforce Limited whose registered company number is 03921568, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
111. Orange Business Holdings UK Limited whose registered company number is 03051335, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
112. Orbital Net Limited whose registered company number is 03761505, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
113. Orbtalk Limited whose registered company number is 05382664, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
114. Park Now Limited whose registered company number is 03151938, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
115. Phone Buddy Limited whose registered company number is 04171159, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

116. Plus Telecom Limited whose registered company number is 04052436, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
117. Premier Voicemail Limited whose registered company number is 03172426 and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
118. Promotions4All Ltd whose registered company number is 07046038 and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
119. Public Internet Limited whose registered company number is 04831797, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
120. Pure-IP Limited whose registered company number is 05024088 and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
121. QX Telecom Ltd whose registered company number is 03820728 and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
122. Real Time Telecoms Limited whose registered company number is 12471141, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
123. Reality Network Services Ltd. whose registered company number is 04267969, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
124. Red Matter Limited whose registered company number is 06968219, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
125. Redcentric Solutions Limited whose registered company number is 08322856, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
126. Redwood Technologies Limited whose registered company number is 02817863, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

127. Relax Telecom Limited whose registered company number is 06777698, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
128. Resilient Plc whose registered company number is 01403177, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
129. Served Up Ltd whose registered company number is 04555918, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
130. Simwood eSMS Limited whose registered company number is 03379831, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
131. Sipcentric Ltd whose registered company number is 07365592, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
132. SiPalto Ltd whose registered company number is 07007423, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
133. Sky UK Limited whose registered company number is 02906991, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
134. Solutios Limited whose registered company number is 03977874, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
135. Sound Advertising Limited whose registered company number is 03218628, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
136. Spacetel UK limited whose registered company number is 3036383, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
137. Spitfire Network Services Limited whose registered company number is 02657590, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
138. Square Systems Limited whose registered company number is 03047595, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

139. Square 1 Communications Limited whose registered company number is 04541344, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
140. Storacall Technology Limited whose registered company number is 02578478, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
141. Stour Marine Limited whose registered company number is 05914603, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
142. Subtopia Ltd whose registered company number is 08784460, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
143. Supported Business Limited whose registered company number is 08254365, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
144. Suretec Systems Limited whose registered company number is SC258005, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
145. Swiftnet Limited whose registered company number is 02469394, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
146. Syntec Limited whose registered company number is 03529985, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
147. Tabsoft Limited whose registered company number is 05846429, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
148. TalkTalk Communications Limited whose registered company number is 03849133, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
149. Tango Networks UK Ltd whose registered company number is 07051067, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

150. Telappliant Limited whose registered company number is 04632756, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
151. TelcoSwitch Limited whose registered company number is 09687883, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
152. Telecom2 Limited whose registered company number is 06926334, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
153. Telefonica UK whose registered company number is 01743099, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
154. TeleSurf Ltd whose registered company number is 06427905, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
155. TeleWare Public Limited Company whose registered company number is 04756742, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
156. TelXL Limited whose registered company number is 04249562, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
157. Sark Telecom B.V whose registered company number is 30194024 (registered in the Netherlands), and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
158. TGL Services (UK) Limited whose registered company number is 09293520, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
159. Timico Limited whose registered company number is 04841830, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
160. Tipicall Limited whose registered company number is 03216399, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
161. Tismi B.V. whose registered company number is 32081827 (registered in the Netherlands), and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

162. Truespeed Communications Ltd whose registered company number is 09187893, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
163. Truphone whose registered company number is 04187081, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
164. TTNC Limited whose registered company number is 05256607, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
165. Tuxtel Ltd whose registered company number is 06774113, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
166. UK Number Store Limited whose registered company number is 02883497, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
167. Verizon UK Limited whose registered company number is 02776038, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
168. Vibe Communications UK Ltd whose registered company number is 05742367, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
169. Virgin Media Limited whose registered company number is 02591237, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
170. Virtual Talk Limited whose registered company number is 04890632, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
171. Vodafone Limited whose registered company number is 01471587, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
172. Voiceflex Limited whose registered company number is 03544845, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

173. VoiceHost Limited whose registered company number is 05851537, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
174. VOIP-Un Limited whose registered company number is 05225497, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
175. Vonage Limited whose registered company number is 05199171, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
176. Voxbone SA whose registered company number is FC032435 and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
177. Voxyonder Network Services UK Ltd whose registered company number is 11784210, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
178. Wightfibre Limited whose registered company number is 05470659, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
179. Windsor Telecom Plc whose registered company number is 03752620, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
180. Wizaner Limited whose registered company number is 02530183, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
181. Wize Analytics Limited whose registered company number is 11833185, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
182. Xoom Ltd whose registered company number is 03997742, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
183. XoverX Ltd whose registered company number is 08319701, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
184. York Data Services Limited whose registered company number is 04753514, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

185. Zapappi Ltd whose registered company number is 08711432, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
186. Zestel Limited registered company number is 08235267, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
187. Ziron (UK) Ltd whose registered company number is 07597853, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

Notification of Directions under SMP Condition 6 in respect of the Wholesale Call Termination Market

Direction under sections 49 and 49A of the Communications Act 2003 and Condition 6 (Quality of service) requiring BT to publish quality of service information in relation to Interconnection

1. On 26 September 2013 Ofcom published a statement entitled “*Review of the fixed narrowband services markets*” (the “**2013 Statement**”) in which it identified markets, made market power determinations and set SMP services conditions. In the 2013 Statement, Ofcom imposed certain SMP conditions on BT in relation to interconnect circuits. Ofcom also made a direction, set out in Annex 4 to the 2013 Statement, which listed the information that BT was required to publish for the purposes of securing transparency as to the quality of service in respect of interconnect circuits (“**the 2013 Quality of Service Direction**”).
2. In the 2017 NMR Statement, Ofcom adopted the 2013 Quality of Service Direction under an SMP Condition set in that statement.
3. On 13 August 2020, Ofcom published a consultation document entitled *Wholesale Voice Services Market Review 2021-2026* (the “**Consultation**”). In this document, among other proposals, Ofcom consulted on its proposals to withdraw the 2013 Quality of Service Direction and to give a new direction to BT under a proposed SMP condition relating to the information it must publish about its quality of service in the provision of Interconnection for the purpose of providing WCT.
4. Ofcom invited responses to these proposals in the Consultation by 8 October 2020.
5. A copy of the Consultation was sent to the Secretary of State in accordance with section 49C(1) of the Act.
6. Ofcom received several responses to its proposals in relation to the withdrawal of the 2013 Quality of Service Direction and the giving of a new direction set out in the Consultation and it has considered every such representation. The Secretary of State has not notified Ofcom of any international obligations on the United Kingdom for the purposes of those proposals.

7. Ofcom has today published a statement titled “Wholesale Voice Services Market Review 2021-2026” (the “Voice Statement”). At Annex 9 to the Voice Statement, Ofcom published a notification under sections 48(1) and 79(4) of the Act of the identification of markets, the making of market power determinations and the setting of SMP services conditions in relation to BT and others under section 45 of the Act in relation to WCT and associated Interconnection(the “**SMP Conditions Notification**”). Pursuant to Condition 6.1 of Schedule 1 to the SMP Conditions Notification, Ofcom may make directions about the information BT must publish about its quality of service in relation to the provision of Interconnection.

Determination to give directions

8. Ofcom hereby, pursuant to sections 49 and 49A of the Act and Condition 6.1 of Schedule 1 to the SMP Conditions Notification, gives BT the directions set out in the Schedule to this notification in relation to Interconnection to the extent specified.
9. Unless otherwise stated, the directions set out in the Schedule to this notification shall take effect on 1 April 2021 and shall have effect until the publication of a notification under section 49 of the Act withdrawing such directions.

Decision to withdraw directions

10. Ofcom hereby withdraws the 2013 Quality of Service Direction, such withdrawal to take effect on 1 April 2021.

Ofcom’s legal duties and tests

11. The effect of and reasons for these directions and the withdrawal of the 2013 Quality of Service Direction are set out in the Voice Statement accompanying this notification and, for the reasons therein, Ofcom considers that the giving of the directions and the withdrawal of the 2013 Quality of Service Direction comply with the requirements of section 49(2) of the Act.
12. Ofcom has considered and acted in accordance with its general duties set out in section 3 of the Act and the six requirements in section 4 of the Act as amended. In accordance with section 4A of the Act, we have taken account of European Commission recommendations for harmonisation to the extent they appear to Ofcom to be relevant.
13. As required by section 2B(2) of the Communications Act 2003, Ofcom has also had regard to the Statement of Strategic Priorities in making the decisions referred to in this notification.

14. In accordance with section 49C(1)(a) of the Act, a copy of the notification, together with the Schedule and Annex to the Schedule, has been sent to the Secretary of State.

Interpretation

15. For the purpose of interpreting this notification (which for the avoidance of doubt includes the Schedule and the Annex to the Schedule)-
- (a) save where otherwise defined in this notification, and except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in the SMP Conditions Notification;
 - (b) otherwise any word or expression shall have the same meaning as it has in the Act;
 - (c) headings and titles shall be disregarded;
 - (d) expressions cognate with those referred to in this notification shall be construed accordingly; and
 - (e) the Interpretation Act 1978 (c. 30) shall apply as if this notification were an Act of Parliament.
16. The Schedule and the Annex to the Schedule to this notification shall form part of this notification.



Brian Potterill

Director of Mobile Network Strategy, Ofcom

A person duly authorised in accordance with paragraph 18 of the Schedule to the Office of Communications Act 2002

30 March 2021

SCHEDULE

Part 1: Definitions and Interpretation

1. In this Schedule and the Annex to this Schedule –

- (a) “**Committed Order**” means an Order for which a Contract Delivery Date has confirmed;
- (b) “**Completed Order**” means an Order which has been provisioned and for which all other related work has been carried out;
- (c) “**Contract Delivery Date**” means the date agreed between the Dominant Provider and a Third Party for an Order to become a Completed Order;
- (d) “**CSI**” means customer sited interconnection links;
- (e) “**Data Management Amendments**” means the routing amendment which a Third Party requests the Dominant Provider to make in order to modify the way in which calls are routed by its network;
- (f) “**Dominant Provider**” means BT;
- (g) “**Interconnection Circuit Fault**” means a degradation or problem with Interconnect Circuits or IP Interconnection Circuits which is identified by the Dominant Provider or a Third Party and which is registered on the Dominant Provider’s operational support system;
- (h) “**IEC**” means interconnect extension circuits;
- (i) “**Interconnect Circuits**” means any and all of the following specific services provided by the Dominant Provider:
 - i) CSI;
 - ii) ISI;
 - iii) IEC;
- (j) “**Interconnection**” means services provided by the Dominant Provider to enable interconnection by means of Interconnect Circuits or at an IP Point of Connection, in association with the provision of wholesale call termination services;
- (k) “**Interconnection KPIs**” mean the KPIs set out in the Annex to this Schedule;
- (l) “**IP Interconnection Circuits**” means circuits provided by the Dominant Provider to enable interconnection at an IP Point of Connection;
- (m) “**IP Point of Connection**” means a point at which the Dominant Provider’s electronic communications network and a Third Party’s electronic communications network are connected by means of internet protocol technology;
- (n) “**ISI**” means in-span interconnection links;
- (o) “**KPI**” means key performance indicator;

- (p) “**Order**” means a request for Interconnect Circuits or IP Interconnection Circuits submitted to the Dominant Provider by a Third Party;
- (q) “**Port Capacity**” means call capacity provided at an IP Point of Connection;
- (r) “**Reporting Period**” means each of the four periods of three calendar months which make up a calendar year, the first of such periods starting on 1 April 2021 and ending on 30 June 2021 and each of the following three-month periods starting on the day after the last day of the previous period;
- (s) “**Restored Service**” means the point at which the Interconnect Circuit or the IP Interconnection Circuit in relation to which a Fault was registered becomes available again for use by the Third Party;
- (t) “**Working Day**” means any day other than Saturdays, Sundays, public holidays or bank holidays in the United Kingdom.

Part 2: Direction

1. The Dominant Provider shall publish the information as set out in the Annex to this Schedule.
2. The information required by paragraph 1 above shall be published within 14 Working Days of the last Working Day of the Reporting Period in respect of that Reporting Period.
3. Nothing in this Direction shall require the Dominant Provider to publish confidential information relating to its business or that of a Third Party.

Annex – Interconnection KPIs

Part 1: Indicators

1. The Dominant Provider shall publish separately and in each case in aggregate form the information specified below in relation to the provision of Interconnection to all Third Parties:
 - (a) the information required in KPIs (i), (iii) and (iv) as it relates to the provision of Interconnect Circuits;
 - (b) from 1 October 2021, the information required in KPIs (iii) and (iv) as it relates to IP Interconnection Circuits; and
 - (c) from 1 October 2021, the information required in KPI (ii) as it relates to Port Capacity.
2. The Dominant Provider shall publish the information required in KPI (iv) set out in paragraph 3 below in relation to the provision of Data Management Amendments to itself.
3. The KPIs referred to in paragraphs 1 and 2 above are as follows:

KPI (i)	Percentage of orders provisioned on time: the percentage of Completed Orders that were completed by the Contract Delivery Date during the Reporting Period.
KPI (ii)	Percentage of Completed Orders for Port Capacity that were completed by the Contract Delivery Date during the Reporting Period.
KPI (iii)	Average time to restore service: the average time (in hours) during the Reporting Period for the Dominant Provider to achieve Restored Service after a Fault has been registered.
KPI (iv)	Data Management Amendments: the percentage of Data Management Amendments for new number ranges that become Completed Orders during the Reporting Period whereby they are completed within 30 Working Days of the Order becoming a Committed Order excluding any Data Management Amendments where the standard 30 Working Day lead time has not been requested.

Part 2: Volumes

4. The Dominant Provider shall publish separately and in each case in aggregate form the information specified below in relation to the provision of Interconnection to all Third Parties:
 - a) the information required in KPIs (v), (vii) and (viii) as it relates to the provision of Interconnect Circuits;
 - b) from 1 October 2021, the information required in KPIs (vii) and (viii) as it relates to IP Interconnection Circuits; and

- c) from 1 October 2021, the information required in KPI (vi) as it relates to Port Capacity.

5. The KPIs referred to in paragraph 4 above are as follows:

- KPI (v)** Volume of orders provisioned: the total number of Committed Orders that became Completed Orders during the Reporting Period.
- KPI (vi)** Volume of Completed Orders for Port Capacity that were completed by the Contract Delivery Date during the Reporting Period.
- KPI (vii)** Volume of faults reported: the number of Faults where the Dominant Provider subsequently achieves Restored Service during the Reporting Period.
- KPI (viii)** Volume of Data Management Amendments: the total number of Data Management Amendments for new number ranges that became Completed Orders during the Reporting Period.

Notification of Directions under SMP Condition 8 in respect of the Wholesale Call Termination Market

Directions under sections 49 and 49A of the Communications Act 2003 and Condition 8 (Regulatory Financial Reporting) relating to the financial reporting requirements for BT for the provision of network access in respect of the wholesale call termination market

1. On 8 February 2020, Ofcom published a consultation document entitled "*Promoting competition and investment in fibre networks: BT Regulatory Financial Reporting requirements covering wholesale fixed telecoms markets 2021-2026*" (the "**BT Regulatory Financial Reporting Requirements consultation**"). In that document, having reviewed BT's reporting requirements, Ofcom consulted on proposals to set SMP conditions and make directions with respect to BT's regulatory accounting in connection with SMP determinations proposed in Ofcom's consultation "*Promoting competition and investment in fibre networks: Wholesale Fixed Telecoms Market Review 2021-2026*", published on 8 January 2020.
2. On 13 August 2020, Ofcom published a consultation document entitled *Wholesale Voice Services Market Review 2021-2026* (the "**Consultation**"). In this document, among other proposals, Ofcom consulted on proposals to identify markets, make market power determinations and set and revoke SMP conditions applying to BT in relation to WCT. Ofcom also consulted on its proposal to give BT directions under a proposed SMP condition relating to BT's financial reporting in respect of WCT and associated Interconnection. Ofcom invited representations on its proposals by 8 October 2020.
3. A copy of the Consultation was sent to the Secretary of State in accordance with section 49C(1) of the Act.
4. Ofcom received a response from BT to its proposed direction in relation to its financial reporting obligations in respect of WCT and associated Interconnection, which it has considered. The Secretary of State has not notified Ofcom of any international obligations on the United Kingdom for the purposes of this proposal.
5. On 18 March 2021, Ofcom published its statement, "*Promoting competition and investment in fibre networks: Wholesale Fixed Telecoms Market Review 2021-2026*" ('the **WFTMR Statement**'), in which it set certain SMP conditions and directions with respect to BT's regulatory accounting in connection with SMP determinations.

6. Ofcom has today published a statement titled “Wholesale Voice Services Market Review 2021-2026” (the “**Voice Statement**”). At Annex 5 to the Voice Statement, Ofcom published a notification under sections 48(1) and 79(4) of the Act of the identification of markets, the making of market power determinations and the setting of SMP services conditions in relation to BT and others under section 45 of the Act (“**SMP Conditions Notification**”). Condition 8 of Schedule 1 to the SMP Conditions Notification imposes various financial reporting obligations on BT in relation to the provision of WCT and associated Interconnection and enables Ofcom to give such directions as they consider appropriate in relation to these obligations.

Determination to give directions

7. Ofcom has decided that the five directions made in a notification of the giving of directions to BT under section 49 and 49A of the Communications Act 2003 and SMP Condition 11 relating to regulatory financial reporting, dated 18 March 2021, in Volume 7 to the WFTMR Statement (**‘the Directions Notification’**), shall apply where relevant in respect of BT’s fulfilment of the SMP condition relating to regulatory financial reporting in respect of WCT and associated Interconnection (Condition 8 of the SMP Conditions Notification) with effect from 1 April 2021. These directions are: Direction 1: Direction specifying Regulatory Accounting Principles; Direction 3: Direction specifying the requirements in relation to consistency with regulatory decisions and regulatory asset value adjusted current costs basis; Direction 4: Direction setting the requirements in relation to the audit opinion for the Regulatory Financial Statements; Direction 5: Direction setting requirements in relation to the reconciliation report and accompanying audit opinion; and Direction 6: Direction specifying network components.
8. Ofcom also gives the directions set out in the Schedule to this notification under sections 49 and 49A of the Act and the SMP conditions set out below.
9. Pursuant to Condition 8.5, Ofcom may make directions in relation to BT’s obligations under the conditions.
10. Pursuant to Condition 8.1, certain definitions have the meaning Ofcom may direct.
11. Pursuant to Condition 8.2, the Dominant Provider must maintain a separation for accounting purposes between such different matters relating to network access to the relevant network or the availability of the relevant facilities as is required by the regulatory accounting SMP conditions including as Ofcom may from time to time direct.

12. Pursuant to Condition 8.3, the Dominant Provider must comply with such rules made by Ofcom about the use of cost accounting systems as required by the regulatory accounting SMP conditions and must comply with such requirements about the description to be made available to the public of the cost accounting system as required by the regulatory accounting SMP conditions in each case including as Ofcom may from time to time direct.
13. Pursuant to condition 8.12, the Dominant Provider shall prepare all Regulatory Financial Statements, explanations or other information required by virtue of the regulatory accounting SMP conditions on a regulatory asset value adjusted current cost basis as directed by Ofcom from time to time.
14. Pursuant to condition 8.25, as at 1 April 2021 the Network Component List must consist of the initial network components directed by Ofcom.
15. Pursuant to condition 8.35, the Dominant Provider must provide to Ofcom all data and models used in the Regulatory Accounting System within four months after the end of the Financial Year to which the Regulatory Financial Statements relate, as directed by Ofcom from time to time.
16. Unless otherwise stated, the directions listed in paragraph 7 above and set out in the Schedule to this notification shall take effect on 1 April 2021.

Ofcom's legal duties and tests

17. The effect of these directions, and Ofcom's reasons for giving them, are set out in the Voice Statement accompanying this notification and, for the reasons therein, Ofcom considers that the directions would comply with the requirements of section 49(2) of the Act. Ofcom has considered and acted in accordance with its general duties set out in section 3 of the Act, the six requirements in section 4 of the Act as amended, and in accordance with section 4A of the Act, we have taken account of European Commission recommendations for harmonisation as they appear to Ofcom to be relevant.
18. As required by section 2B (2) of the Communications Act 2003, Ofcom has also had regard to the Statement of Strategic Priorities in making the decisions referred to in this notification.

Interpretation

19. For the purpose of interpreting this notification -

- (a) save where otherwise defined in this notification, and except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in paragraph 20 below;
- (b) save where otherwise defined in this notification, and except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in Condition 8 of the SMP Conditions Notification;
- (c) save where otherwise defined in this notification or in Condition 8 of the SMP Conditions Notification, and except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in the SMP Conditions Notification;
- (d) otherwise any word or expression shall have the same meaning as it has in the Act;
- (e) headings and titles shall be disregarded;
- (f) expressions cognate with those referred to in this notification shall be construed accordingly; and
- (g) the Interpretation Act 1978 (c. 30) shall apply as if this notification were an Act of Parliament.

20. In this notification, the following terms shall have the following meanings:

“Gross Replacement Cost” or “GRC” means the cost of replacing an existing tangible fixed asset with an identical or substantially similar new asset having a similar production or service capacity;

“Mean Capital Employed (MCE)” means total assets less current liabilities, excluding corporate taxes and dividends payable, and provisions other than those for deferred taxation. The mean is computed from the start and end values for the period, except in the case of short-term investments and borrowings, where daily averages are used in their place; and

“Net Replacement Cost” or “NRC” means the Gross Replacement Cost less accumulated depreciation based on Gross Replacement Cost.

21. The Schedule to this notification shall form part of this notification.



Brian Potterill

Director of Mobile Network Strategy, Ofcom

A person duly authorised in accordance with paragraph 18 of the Schedule to the Office of Communications Act 2002

30 March 2021

SCHEDULE

Direction setting requirements in relation to preparation, delivery, publication, form and content of the Regulatory Financial Statements

Background

1. This Direction is made under:
 - (a) Section 49 of the Act;
 - (b) SMP Condition 8.2;
 - (c) SMP Condition 8.3;
 - (d) SMP Condition 8.5; and
 - (e) SMP Condition 8.35.
2. This Direction applies with respect to the following markets unless otherwise specified:
 - (a) WCT; and
 - (b) Interconnection

Interpretation

3. In this Direction, the following terms have the following meanings:
 - (a) "**Market**" means:
 - i) the WCT market;
 - ii) Interconnection; and
 - iii) Shared Ancillaries.
 - (b) "**PAC**" means a 'previously allocated cost' methodology whereby costs are attributed pro-rata to each cost category which has received an allocation of operating costs, depreciation and return on mean capital employed at the preceding level of the Regulatory Accounting System.

Direction

4. Ofcom hereby directs BT as follows.

5. BT shall prepare and deliver to Ofcom two weeks before they are published the following statements, in accordance with the obligations in paragraph 6 and 7 below:
 - (a) Introduction to the Regulatory Financial Statements;
 - (b) Basis of Preparation;
 - (c) Statement of Responsibility;
 - (d) Performance Summary by Market;
 - (e) Attribution of Operating Costs;
 - (f) Attribution of Mean Capital Employed;
 - (g) Reconciliation Statement – Income Statement;
 - (h) Reconciliation Statement – Mean Capital Employed;
 - (i) Attribution Diagrams for Operating Costs and Mean Capital Employed;
 - (j) Market Summaries;
 - (k) Analysis of Service Operating Costs and Mean Capital Employed;
 - (l) Appendix for Physical Infrastructure Market; and
 - (m) Glossary.

6. BT shall publish the statements set out in paragraph 5 of this Direction, and in addition the following statements:
 - (a) Statement by Ofcom; and
 - (b) Report of the Regulatory Auditor,within four months after the end of the Financial Year to which they relate.

7. Except where BT is entitled to amend the form and content of the Regulatory Financial Statements, BT shall prepare the statements described in paragraphs 5 and 6 in the form provided for and containing the content specified in Annex A to this Direction.

8. BT shall publish the Regulatory Financial Statements in Excel spreadsheet format as well as in portable document format (“PDF”).

9. BT shall prepare and deliver to Ofcom at the same time it delivers its Regulatory Financial Statements the following additional financial information in respect of each Market in the form and content described in Annex B:
 - (i) Data supporting the cost attribution system;
 - (ii) CCA fixed asset movement statement;

- (iii) Data supporting CCA valuations;
 - (iv) Asset values and depreciation;
 - (v) Regulatory Asset Value (RAV) adjustment applied to Access Duct;
 - (vi) PAC breakdown
 - (vii) Cost component mapping
 - (viii) Grant funded assets
10. BT shall prepare and deliver to Ofcom at the same time as it delivers its Regulatory Financial Statements the following additional financial information in respect of Interconnection in the form and content described in Annex B:
- (i) Costs of TDM interconnection;
 - (ii) Costs of IP interconnection.
11. Where the additional financial information can be extracted from the data provided in paragraph 9(i), BT is not required to provide separate schedules but must explain how to extract the information from the data provided in paragraph 9(i).
12. The Annexes to this direction form part of the Direction.

Annex A to Direction

Statement by Ofcom

1. The statement provided by Ofcom commenting on the figures in, the notes to, or the presentation of any or all of the Regulatory Financial Statements, in relation to each of the Markets.

Introduction to the Regulatory Financial Statements

2. The Introduction to the Regulatory Financial Statements (RFS) shall be included in the RFS as a separate statement.
3. The Introduction must include a summary of the Dominant Provider's financial performance in a way which helps the reader to understand the RFS. The summary must include a brief but complete commentary on its financial performance in relation to each Market separately, prepared on an objective basis.
4. The Introduction should also set out an analysis of the changes and developments affecting each Market, including changes in market conditions, the introduction or announcement of new services, new and discontinued activities and relevant acquisitions and disposals.

Basis of Preparation

5. The Regulatory Financial Statements (RFS) shall contain, as a separate statement, explanations based on generally accepted accounting principles (GAAP), to assist the user in the interpretation of the RFS.
6. The explanations must address issues necessary to ensure the proper preparation of the RFS (in accordance with the requirement to obtain an audit to "properly prepared in accordance with" standard). They should set out to the extent necessary the basis of accounting, accounting policies, changes for restatement, non-compliance with the International Accounting Standards and any other information that will enable users to properly understand the RFS.
7. The explanations should make clear issues of comparability that assist the reader's understanding of the RFS and highlight accounting policies that are key to the understanding of performance, focusing on those which have required the particular exercise of judgement in their application and those accounting policies which have changed in the year.

Statement of Responsibility

8. The statement provided by the board of directors of BT shall set out the basis of preparation of the Regulatory Financial Statements and confirm the approval of the Regulatory Financial Statements by BT's board of directors.

Report of the Regulatory Auditor

9. The statement by the Regulatory Auditor shall set out the duties and responsibilities of BT and of the Regulatory Auditor, the basis of audit opinion in accordance with current auditing standards,

to whom a duty of care is owed and their opinion in respect of each Regulatory Financial Statement.

Performance Summary by Market

10. The Performance Summary by Market schedule shall be in the form specified below, and contain the information required by the column and row headings.

Performance Summary by Market 20XX
For the year ended 31 March 20XX

		Openreach				Rest of BT	BT Group			
Section		Physical Infrastructure	SMP markets (additional column for each market)	Non-SMP	Eliminations	Total	Total	Eliminations	Roundings	Total
PI revenues										
External purchases	£m									
Internal purchases	£m									
Inputs to downstream services	£m									
Total PI revenues	£m									
Other revenues										
External revenue	£m									
Internal revenue	£m									
Total other revenues	£m									
Total revenue	£m									
Attribution of PI costs										
Operating costs	£m									
Depreciation	£m									
Specific items	£m									
Total HCA operating costs	£m									
CCA adjustments	£m									
Total CCA operating costs	£m									
CCA Return	£m									
Mean capital employed	£m									
Return on MCE %	%									

Note on Rest of BT

Below the Performance Summary by Market schedule, BT must include a note saying that Rest of BT includes the following total revenue for WCT, the interconnect circuits listed in the Annex to Condition 3C (“TDM interconnection”) and interconnection provided at IP Points of Connection (“IP interconnection”), providing the reference where further information can be found.

- WCT £x.xm
- TDM interconnection £x.xm
- IP interconnection £x.xm

Note for BT

Directions for the completion of the Openreach columns and additional notes that should be published below the Performance Summary by Market schedule are set out in Direction 2 of the Directions Notification, WFTMR Statement, Vol 7.

Attribution of Operating Costs

11. The Attribution of Operating Costs schedule shall be in the form specified below, and contain the information required by the column and row headings.

(ii) Operating costs by division

£m

Openreach					RoBT	BT Group		
Physical Infrastructure	SMP markets (additional column for each market)	Non-SMP	Eliminations	Total	Total	Eliminations	Roundings	Total
Section								

Openreach

Service and network delivery

Openreach support functions

Openreach total

Rest of BT

Group centre

Property and facilities

Technology

Consumer, Global & Enterprise

Rest of BT total

Operating costs before depreciation

Note for BT

Directions for the completion of the Attribution of Operating Costs schedules and the markets to include in the Openreach columns are set out in Direction 2 of the Directions Notification, WFTMR Statement, Vol 7.

Attribution of Mean Capital Employed

12. The Attribution of Mean Capital Employed schedule shall be in the form specified below, and contain the information required by the column and row headings.

Attribution of Mean Capital Employed XX For the year ended 31 March 20XX

£m

	Openreach					RoBT	BT Group		
	Physical Infrastructure	SMP markets (additional column for each market)	Non-SMP	Eliminations	Total	Total	Eliminations	Roundings	Total
Section									
Non-current assets									
- Duct									
- Poles									
- Copper									
- Fibre									
- Electronics									
- Software									
- Land and buildings									
- Right of use assets									
- Other assets									
- Less funded assets (BDUK, etc)									
Total non-current assets									
Current assets									
Current liabilities									
Provisions									
Roundings									
Total MCE									

Note for BT

Directions for the completion of the Attribution of Mean Capital Employed schedule and the markets to include in the Openreach columns are set out in Direction 2 of the Directions Notification, WFTMR Statement, Vol 7.

Reconciliation Statement - Income Statement

13. The Reconciliation Statement - Income Statement schedule shall be in the form specified below, and contain the information required by the column and row headings.

Reconciliation Statement - Income Statement 20XX

For the year ended 31 March 20XX

	Openreach			BT Group plc		
	Revenue	Operating Cost	Return or operating profit	Revenue	Operating Cost	Return or operating profit
	£m	£m	£m	£m	£m	£m
As in the Annual Report						
<u>Adjustments</u>						
Specific items						
Use of Technology Assets						
Other trading differences						
Net short term interest						
Share of post tax loss of associated and joint ventures						
Installations costs treated as operating expenses						
CCA adjustments						
Roundings						
As in the RFS						

Note for BT

Directions for the completion of the Reconciliation Statement – Income Statement are set out in Direction 2 of the Directions Notification, WFTMR Statement, Vol 7.

Note for BT

Directions for the completion of the Reconciliation Statement – Mean Capital Employed are set out in Direction 2 of the Directions Notification, WFTMR Statement, Vol 7.

Attribution Diagrams for Operating Costs and Mean Capital Employed

15. For each operating cost and asset category reported in the Attribution of Operating Costs and Attribution of Mean Capital Employed schedules BT must publish a diagram showing the following:

- The key allocation stages. As a minimum, this must include the following allocation stages:
 - Initial cost of the cost category
 - Activity group and/or plant group
 - Network Component
 - SMP and non-SMP markets (each SMP market must be identified);
- At each allocation stage (including the initial cost of the cost category), either the 5 largest cost pools, or any cost pool representing 20% or more of the total cost associated with the relevant operating cost or asset category of that allocation stage. Other cost pools can be aggregated together into an ‘other’ cost pool;
- The cost drivers associated with each identified cost pool at each stage;
- The percentage allocation using those cost drivers at each stage; and
- The percentage of cost allocated to each Openreach SMP market, Openreach residual and rest of BT.

Notes on preparing these diagrams

For the ‘Fibre’ asset category, where BT categorises this as access, backhaul or core fibre in its Regulatory Accounting System, the attribution diagram must illustrate how each of access, backhaul and core fibre is attributed.

These diagrams may be published as a separate appendix to the RFS on BT's website.

BT must publish a narrative alongside these diagrams explaining how to interpret the diagrams and where to find information on each cost driver in the Accounting Methodology Document. Any assumptions made when preparing these diagrams must be published.

Market Summaries

16. BT must publish the schedules set out in this section:

- i. PI Summary with Note on network adjustments above and below the financial Limit;
- ii. Wholesale Local Access – Area 2 Summary;
- iii. Wholesale Local Access – Area 3 Summary with Note on FTTP homes passed in Area 3;
- iv. Leased Lines Access – Area 2 Summary;
- v. Leased Lines Access – Area 3 Summary;
- vi. Leased Lines Access – High Network Reach Summary;
- vii. IEC – BT Only Summary;
- viii. IEC – BT + 1 Summary;
- ix. IEC – BT + 2 exchanges; and
- x. Shared Ancillaries;
- xi. WCT Summary;
- xii. TDM Interconnection Summary; and
- xiii. IP Interconnection Summary.

Note for BT

Directions for the completion of schedules (i) to (ix) are set out in Direction 2 of the Directions Notification, WFTMR Statement, Vol 7.

17. Each schedule shall be in the form specified for it below, and contain the information required by the column and row headings. In each schedule, BT can include additional rows i) where required to ensure total revenues or costs reconcile to the Performance Summary by Market schedule or ii) where these row items would be better presented in the Market Summary schedules than in the Reconciliation Statements. For example, in relation to IFRS15 (relating to revenue from contracts with customers) BT can include rows such as:

- IFRS15 Deferred Revenue
- IFRS15 Outpayments required to be treated as a credit to revenue (e.g. in relation to SLGs).

x) Shared Ancillaries

X.X.X Shared Ancillaries Summary 20XX

For the year ended 31 March 20XX

Detailed service analysis

Service	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume Measure	Internal Average Price	External Average Price	Internal opex	External opex	Internal MCE	External MCE	Internal ROCE	External ROCE
	£m	£m	£m			£	£	£m	£m	£m	£m	%	%
Cablelink													
Accommodation													
Electricity charges													
Total Shared Ancillaries													

Note on completion of x) Shared Ancillaries

This schedule should include Cablelink, Accommodation and Electricity charges required for IP Interconnection.

Note for BT

Further directions for the completion of schedule x) Shared Ancillaries were set out in Direction 2 of the Directions Notification, WFTMR Statement, Vol 7.

xi) WCT Summary

WCT Summary

For the year ended March 20xx

Detailed service analysis	Internal revenue	External revenue	Total revenue	Internal volume
	£m	£m	£m	mm
Wholesale call termination				
Total				

Note on completion of (xi) WCT Summary

The Dominant Provider must explain how it has derived volume information for WCT in the Accounting Methodology Documents, including any assumptions made, and put any methodology changes through the annual Change Control Notification.

xii) TDM Interconnection Summary

TDM Interconnection Summary

For the year ended March 20xx

Detailed service analysis	External revenue	External volume	Measure	External average price
	£m			£
Wholesale CSI connections				
Wholesale CSI rentals - fixed				
Wholesale CSI rentals - per km				
Wholesale IEC connections				
Wholesale IEC rentals - fixed				
Wholesale IEC rentals - per km				
Wholesale Intra-building circuits connections				
Wholesale Intra-building circuits rentals				
Wholesale ISI links rentals				
Wholesale ISI links per km				
Wholesale rearrangements				
Total TDM Interconnection				

Note for completing (xii) TDM Interconnection Summary

Services listed in the schedule only need to be reported where they are connected to the Digital Local Exchange (DLE).

Where services listed in the schedule are omitted as they are not connected to the DLE, BT must provide a note under this schedule explaining this.

The Dominant Provider must explain how it has derived volumes for TDM interconnection services at the DLE in the Accounting Methodology Documents, including any assumptions made, and put any methodology changes through the annual Change Control Notification.

The TDM Interconnection Summary schedule must be published up to and including the period that the charge control is in place for TDM Interconnection.

xiii) IP Interconnection Summary

IP Interconnection

For the year ended March 20xx

Detailed service analysis	External revenue £m	External volume	Measure	External average price
IP Exchange service set-up charges				
IP Exchange Interoperability testing charges				
IP Exchange circuit charges - direct access at BT Exchanges				
IP Exchange port charges - direct access at BT Exchanges				
IP Exchange port charges - direct access at neutral access points				
IP Exchange port charges - indirect access				
Other IP interconnection charges (if applicable)				
Total IP interconnection				

Note for completing (xiii) IP Interconnection Summary

Service information can be omitted where the Dominant Provider does not offer these services. Where this is the case a note must be provided below the IP Interconnection Summary explaining that this is the case.

The Dominant Provider must include a note under the IP interconnection Summary schedule showing an estimate of the costs associated with:

- i) IP Exchange service set-up charges;
- ii) IP Exchange interoperability testing charges;
- iii) IP Exchange port charges – direct access at neutral access points; and
- iv) IP Exchange port charges – indirect access.

The cost estimate should separately show incremental costs (such as costs directly associated with the provision of these services), any mark up for common costs (such as general overheads) and return on capital employed (where applicable).

The Dominant Provider can estimate these costs outside of its cost attribution system. Where this is the case, the Dominant Provider must explain its approach to estimating these costs in its Accounting Methodology Documents, including a description of any assumptions made and how costs have been allocated between different IP interconnection services, where applicable. The Dominant Provider must also demonstrate to Ofcom how it has ensured that costs attributed to other SMP markets have not been included in its cost estimates for these four IP interconnection services.

The Dominant Provider must include in its Accounting Methodology Document an explanation of how it has derived volumes of IP interconnection, including any assumptions made. Any methodology changes must be put through the annual Change Control Notification.

Analysis of Service Operating Costs and Mean Capital Employed

18. Immediately after each Market Summary schedule listed below, BT must also publish the following schedules:

- a) Analysis of Service Operating Costs; and
- b) Analysis of Service MCE.

19. Each such schedule must include a column for each service/basket required in the Market Summary schedule concerned.

20. The Market Summary schedules in relation to which this requirement applies are:

- i) PI Summary
- ii) WLA – Area 2 Summary
- iii) WLA – Area 3 Summary

- iv) LLA – Area 2 Summary
- v) LLA – Area 3 Summary
- vii) IEC – BT Only Summary
- viii) IEC – BT + 1 Summary
- xi) IEC – BT + 2 exchanges;
- x) Shared Ancillaries Summary

Appendix for Physical Infrastructure Market

21. The Appendix for the Physical Infrastructure Market may be published either after the PI Market Summary schedule or after all the Market Summary schedules. It shall be in the form specified below, and contain the information required by the column and row headings

Network adjustments restated on an MCE basis

For the year ended 31 March 20XX

	MCE £m		
	Internal	External	Total
Above the financial limit			
Below the financial limit			

[Note: The above Appendix for Physical Infrastructure is not relevant to the provision of WCT or Interconnection and is included to preserve the integrity of the RFS.]

Glossary

22. The Glossary shall be included in the RFS as a separate statement.
23. The Glossary must include definitions of financial and non-financial terms used in the RFS as necessary to secure that it is reasonable to consider that a person with an understanding of regulatory accounting principles has sufficient information, clearly enough presented, to understand the RFS.

Annex B to Direction

Reference	Additional Financial Information	Description
<u>A) Additional Financial Information to be provided in respect of each Market</u>		
(i)	Data supporting the cost attribution system	<p>All data, metadata and models used to run the cost attribution system (CostPerform as at the date of this notice) for the current and the prior year.</p> <p>The data and models provided must be sufficient for Ofcom to:</p> <ul style="list-style-type: none"> • generate the Regulatory Financial Statements when using the same software as BT; • extract information on Openreach and each reported SMP market where the information published in the RFS is derived from the cost attribution system; • extract information on all services and cost components for each reported SMP market; • calculate unit costs for services and components by reference to total costs and volumes; • understand how the cost of capital has been employed in the RFS to attribute costs; • see all attribution levels in the cost attribution system, including attributions to non-SMP parts of BT. <p>The information should also be accompanied by any additional spreadsheets or models used to prepare the schedules published in the Regulatory Financial Statements.</p>

(ii)	CCA fixed asset movement statement	<ul style="list-style-type: none"> • For each asset category for BT Group: <ul style="list-style-type: none"> a) gross replacement costs brought forward, additions (including capex and assets in the course of construction)/disposals/transfers, holdings gains/(loss), gross replacement costs carried forward; and b) gross depreciation brought forward, HCA depreciation charge, supplementary CCA depreciation, disposals/transfers/other movements, holding gains/(loss), gross depreciation carried forward). • A reconciliation to the HCA fixed assets movement statement in the BT Group statutory financial statements.
(iii)	Data supporting CCA valuations	Tabular data showing the indices, index weightings and composite indices used by BT to revalue assets onto a current cost basis, stating, in relation to each index, the assets in relation to which it is used.

(iv)	Asset values and depreciation	<p>For each asset category:</p> <ul style="list-style-type: none"> • Asset life • Valuation basis (e.g. HCA or CCA) • Depreciation basis • Description of index used for CCA valuations • Description of samples or surveys used to determine asset value, if used • HCA and CCA depreciation (including information on supplementary depreciation and holding gains/losses for CCA depreciation) • Gross Book Value (GBV) by year of acquisition • Gross Replacement Cost (GRC) • Net Replacement Cost (NRC)
(v)	Regulatory Asset Value (RAV) adjustment applied to Access Duct	<p>The following information, including all formulae:</p> <ol style="list-style-type: none"> 1. A breakdown of the GBV and NBV of duct, including all annual changes (including capital expenditure, disposals and assets in the course of construction); 2. A breakdown of the CCA valuation of duct, showing the valuation of pre- and post-1997 Access Duct consistent with Schedule A of Direction 3, as well as non-Access Duct; 3. The RAV adjustment made to the valuation of duct in the RFS (and a reconciliation to duct values in the RFS); and 4. An explanation of how this information has been used to attribute duct costs to PI services.

(vi)	PAC breakdown	<p>A breakdown of costs attributed using PAC methodologies (e.g. BT Group PAC, Openreach PAC, Technology PAC) by two-digit OUC (Organisation Unit Code along with a description of the activities undertaken by each OUC.</p> <p>(In this direction, OUC has the meaning it is given in BT's accounting systems as at the date of this notification)</p>
(vii)	Cost component mapping	<p>A mapping between the operating cost and MCE of each Network Component and the operating cost and MCE cost categories from the Attribution of Wholesale Current Costs and Attribution of Wholesale Current Cost Mean Capital Employed schedules.</p>
(viii)	Grant funded assets	<p>The following information on all grant funded investments:</p> <ul style="list-style-type: none"> • Total expenditure funded by grant, both in the year and on a cumulative basis, split by asset type and a reconciliation to where this information is reported in the RFS • Total grant funding in the year and on a cumulative basis, split by the asset types to which the funding has been allocated and a reconciliation to where this information is reported in the RFS • Explanation of the grant funding arrangements

Note to BT

Requirements B to F of Annex B are set out in Direction 2, Directions Notification, WFTMR Statement, Volume 7 and are omitted from this Direction.

G) Additional Financial Information to be provided in respect of Interconnection

(i)	Costs of TDM Interconnection	<p>Provide information on the operating and capital costs of each service published in the TDM Interconnection Summary to include:</p> <ul style="list-style-type: none"> • Capital cost of assets, by asset category • Depreciation of assets, by asset category • Cost of maintenance of those assets • Other direct costs, split by type of cost • Indirect costs and other overheads <p>Any assumptions, judgements or estimates made when providing this information must be explained. This should include an explanation of how assets or costs shared with other services has been allocated to the services published in the TDM interconnection Summary.</p> <p>This information does not have to be generated from the cost attribution system. Where this is the case, provide an explanation of how it has been ensured that costs attributed to other SMP markets have not been included in the cost estimates for TDM interconnection services.</p> <p>This information must be provided up to and including the period during which the charge control is in place for TDM Interconnection.</p>
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(ii)	Costs of IP Interconnection	<p>Provide information on the operating and capital costs of each service published in the IP Interconnection Summary (splitting out any services included in the 'Other IP Interconnection' service) to include:</p> <ul style="list-style-type: none"> • Capital cost of assets, by asset category • Depreciation of assets, by asset category • Cost of maintenance of those assets • Other direct costs, split by type of cost • Indirect costs and other overheads <p>Where cost information has been published in a note under the IP Interconnection Summary, full details and calculations supporting these costs must be provided where they have been estimated outside of the cost attribution system.</p> <p>Any assumptions, judgements or estimates made when providing this information must be explained. This must include an explanation of how assets or costs shared with other services have been allocated to the services published in the IP interconnection Summary and how any uplift for overheads has been estimated (by reference to RFS information where used). Supporting information such as spreadsheets should be provided.</p> <p>This information does not have to be generated from the cost attribution system. Where this is the case, provide an explanation of how it has been ensured that costs attributed to other SMP markets have not been included in the cost estimates for IP interconnection services.</p>
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G) Additional Financial Information to be provided in respect of Interconnection

(i)	Costs of TDM Interconnection	<p>Provide information on the operating and capital costs of each service published in the TDM Interconnection Summary to include:</p> <ul style="list-style-type: none">• Capital cost of assets, by asset category• Depreciation of assets, by asset category• Cost of maintenance of those assets• Other direct costs, split by type of cost• Indirect costs and other overheads <p>Any assumptions, judgements or estimates made when providing this information must be explained. This should include an explanation of how assets or costs shared with other services has been allocated to the services published in the TDM interconnection Summary.</p> <p>This information does not have to be generated from the cost attribution system. Where this is the case, provide an explanation of how it has been ensured that costs attributed to other SMP markets have not been included in the cost estimates for TDM interconnection services.</p> <p>This information must be provided up to and including the period during which the charge control is in place for TDM Interconnection.</p>
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(ii)	Costs of IP Interconnection	<p>Provide information on the operating and capital costs of each service published in the IP Interconnection Summary (splitting out any services included in the 'Other IP Interconnection' service) to include:</p> <ul style="list-style-type: none"> • Capital cost of assets, by asset category • Depreciation of assets, by asset category • Cost of maintenance of those assets • Other direct costs, split by type of cost • Indirect costs and other overheads <p>Where cost information has been published in a note under the IP Interconnection Summary, full details and calculations supporting these costs must be provided where they have been estimated outside of the cost attribution system.</p> <p>Any assumptions, judgements or estimates made when providing this information must be explained. This must include an explanation of how assets or costs shared with other services have been allocated to the services published in the IP interconnection Summary and how any uplift for overheads has been estimated (by reference to RFS information where used). Supporting information such as spreadsheets should be provided.</p> <p>This information does not have to be generated from the cost attribution system. Where this is the case, provide an explanation of how it has been ensured that costs attributed to other SMP markets have not been included in the cost estimates for IP interconnection services.</p>
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NOTIFICATION UNDER SECTION 48(1) AND 79(4) OF THE COMMUNICATIONS ACT 2003 (“Notification”)

Notification for the identification of markets, the making of market power determinations and the setting of SMP services conditions in relation to each of the persons named in Schedules 1 and 2 to this Notification under section 45 of the Communications Act 2003

1. On 28 March 2018, Ofcom published a statement concerning the provision of wholesale mobile voice call termination (the “**2018 MCT Statement**”) which identified the relevant markets, made market power determinations and imposed certain significant market power (“**SMP**”) conditions. These SMP conditions included a charge control, which expires on 31 March 2021.
2. On 1 October 2018, Ofcom published a statement concerning the provision of wholesale 070 (personal numbers) call termination services (the “**2018 070 Statement**”) which identified the relevant markets, made market power determinations and imposed an SMP condition in the form of a charge control. This charge control expires on 31 March 2021.
3. On 13 August 2020, Ofcom published a consultation document entitled *Wholesale Voice Services Market Review 2021-2026* (the “**Consultation**”) setting out Ofcom’s proposals to identify markets, make market power determinations and set SMP conditions, including in relation to the wholesale mobile voice call termination and wholesale 070 call termination markets for the period from 1 April 2021 to 31 March 2026. Ofcom invited representations on its proposals by 8 October 2020.
4. A copy of the Consultation was sent to Secretary of State in accordance with sections 48C(1) and 81(1) of the Act.
5. Ofcom received several responses to its proposals set out in the Consultation and it has considered every representation made. The Secretary of State has not notified Ofcom of any international obligations of the United Kingdom for the purposes of those proposals.

Service market identifications and market power determinations

6. Ofcom has identified the markets described at paragraphs 7 and 9 for the purpose of making market power determinations.
7. Ofcom has identified 65 separate markets in relation to wholesale mobile voice call termination services that are provided by each of the 65 persons named in Schedule 1 to this Notification to another communications provider, for the termination of voice calls to mobile numbers allocated to that person by Ofcom in the area served by that person and for which that person is able to set the call termination charge (each a “**wholesale mobile voice call termination market**”).

8. Ofcom has made a market power determination that each of the persons set out in Schedule 1 to this Notification has significant market power in relation to the wholesale mobile voice call termination market in which that person operates.
9. Ofcom has identified 73 separate markets in relation to wholesale 070 call termination services that are provided by each of the 73 persons named in Schedule 2 to this Notification to another communications provider, for the termination of voice calls to 070 numbers within the number range which has been allocated to that person by Ofcom, for which that person is able to set the call termination rate (each a “**wholesale 070 call termination market**”).
10. Ofcom has made a market power determination that each of the persons set out in Schedule 2 to this Notification has significant market power in relation to the wholesale 070 call termination market in which that person operates.
11. For each of the persons identified in Schedules 1 and 2 to this Notification, the SMP designation is to be held with respect to the registered company identified and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006, in so far as they operate on the relevant market.
12. The effect of, and Ofcom’s reasons for deciding to identify the markets and make the market power determinations referred to above are set out in the Voice Statement.

Determination to set and apply SMP services conditions

13. Ofcom is setting SMP conditions M1, M2 and M3 as set out in Schedule 3 to this Notification, on each person listed in Schedule 1.
14. Those SMP conditions shall apply, in the case of each person on whom they are set, in respect of the wholesale mobile voice call termination market on which that person operates, to the extent specified in those conditions.
15. Ofcom is setting SMP condition M2, as set out in Schedule 3 to this Notification on each person listed in Schedule 2.
16. The SMP condition shall apply, in the case of each person on whom they are set, in respect of the wholesale 070 call termination market on which that person operates, to the extent specified in the condition.
17. Unless otherwise stated in Schedule 3, the SMP conditions shall take effect from 1 April 2021 and shall have effect until the publication of a notification under section 48(1) of the Act revoking such conditions.
18. The effect of, and Ofcom’s reasons for deciding to make the SMP conditions referred to in this Notification are set out in the Voice Statement.

Decisions to revoke SMP services conditions

19. Ofcom is (to the extent still extant) revoking the SMP conditions set out Annex 4 of the 2018 MCT Statement with effect from 1 April 2021.
20. Ofcom is (to the extent still extant) revoking the SMP conditions set out at Annex 3 to the 2018 070 Statement with effect from 1 April 2021.
21. Section 16 of the Interpretation Act 1978 shall apply as if these revocations were a repeal of an enactment by an Act of Parliament.

Ofcom's duties and legal tests

22. In identifying and analysing the markets referred to in this Notification, and in considering whether to make the corresponding decisions set out in this Notification, Ofcom has acted in accordance with section 79 of the Act and where it has considered relevant, had regard to EECC materials within the meaning of section 79(6) of the Act. .
23. Ofcom considers that the SMP conditions set out in Schedule 3 to this Notification comply with the requirements of sections 45 to 47, 87 and 88 of the Act, as appropriate and relevant to each such SMP condition, and further that the revocations of the SMP conditions referred to above comply with the requirements of sections 45 to 47, 87 and 88 of the Act as appropriate and relevant to them.
24. In making all of the decisions referred to in this Notification, Ofcom has considered and acted in accordance with its general duties set out in section 3 of the Act and the six requirements in section 4 of the Act as amended. In accordance with section 4A of the Act, Ofcom has also taken account of recommendations issued by the European Commission under Article 19(1) of the Framework Directive as they appear to Ofcom to be relevant.
25. As required by section 2B(2) of the Communications Act 2003, Ofcom has also had regard to the Statement of Strategic Priorities in making the decisions referred to in this Notification.

Notification to the Secretary of State

26. Copies of this Notification and the Voice Statement have been sent to the Secretary of State in accordance with sections 48C(1) and 81(1) of the Act.

Interpretation

27. For the purpose of interpreting this Notification (which for the avoidance of doubt includes the Schedules):
 - a) except in so far as the context otherwise requires, words or expressions have the meaning assigned to them in paragraph 28 below, and otherwise any word or expression has the same meaning as it has in the Act;
 - b) headings and titles shall be disregarded;

- c) expressions cognate with those referred to in this Notification shall be construed accordingly; and
- d) the Interpretation Act 1978 (c. 30) shall apply as if this Notification were an Act of Parliament.

28. In this Notification:

“2018 070 Statement” means the statement described in paragraph 2 of this Notification;

“2018 MCT Statement” means the statement described in paragraph 1 of this Notification;

“Consultation” has the meaning given in paragraph 3 of this Notification;

“EECC” means Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Code;

“mobile number” means a UK telephone number that begins with 071, 072, 073, 074, 075, 077, 078 or 079;

“Ofcom” means the Office of Communications as established pursuant to section 1(1) of the Office of Communications Act 2002;

“Statement of Strategic Priorities” means the Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services designated by the Secretary of State for Digital, Culture, Media and Sport for the purposes of section 2A of the Communications Act 2003 on 29 October 2019;

“Voice Statement” means the explanatory statement titled “Wholesale Voice Markets Review 2021-26”, accompanying this Notification;

“wholesale 070 call termination market” means a market as described in paragraph 9 of this Notification;

“wholesale mobile voice call termination market” means a market as described in paragraph 7 of this Notification.

The Schedules to this Notification form part of this Notification.



Brian Potterill

Director of Mobile Network Strategy

A person authorised by OFCOM under paragraph 18 of the Schedule to the Office of Communications Act 2002

30 March 2021

Schedule 1 - list of MCT providers

1. (AQ) Limited, whose registered company number is 03663860, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
2. 08Direct Limited, whose registered company number is 06428331, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
3. 24 Seven Communications Limited, whose registered company number is 04468566, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
4. Ace Call Ltd, whose registered company number is 06729339, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
5. Airwave Solutions Limited, whose registered company number is 03985643, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
6. Anywhere Sim Limited, whose registered company number is 09615065, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
7. AQL Wholesale Limited, whose registered company number is 05134355, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
8. Bellingham Telecommunications Ltd, whose registered company number is 07038166, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
9. British Telecommunications Plc whose registered company number is 01800000, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
10. CFL Communications Ltd, whose registered company number is 04419749, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
11. Citrus Telecommunications Ltd, whose registered company number is 03517870, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
12. Cloud9 Mobile Communications Limited, whose registered company number is 05474679, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

13. Cloud9 Communications Limited, whose registered company number is 07153956, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
14. Compatel Limited, whose registered company number is 07456831, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
15. Confabulate Limited, whose registered company number is 05605939, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
16. Core Communication Services Limited, whose registered company number is 05467282, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
17. Core Telecom Limited, whose registered company number is 05332008, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
18. Core Telecom International Limited, whose registered company number is IE467960 (registered in Ireland), and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
19. Digital Mail Limited, whose registered company number is 02661078, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
20. Flextel Limited, whose registered company number is 02772380, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
21. Gamma Telecom Holdings Limited, whose registered company number is 04287779, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
22. Global Reach Networks Limited, whose registered company number is 04349826, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
23. Hutchison 3G UK Limited, whose registered company number is 03885486, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
24. Icron Network Limited, whose registered company number is 05445235, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

25. Internet of Things Limited, whose registered company number is 08092142, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
26. IPV6 Limited, whose registered company number is 06711525, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
27. Lanonyx Telecom Limited, whose registered company number is 07658086, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
28. Lleidanetworks Serveis Telematics Limited whose registered company number is BR008515 (this is a UK establishment of Lleidanetworks Serveis Telematics Limited registered in Ireland), and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
29. Lycamobile UK Limited, whose registered company number is 05903820, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
30. Magrathea Telecommunications Limited, whose registered company number is 04260485, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
31. Mars Communications Limited, whose registered company number is 06478834, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
32. Mobile FX Services Ltd, whose registered company number is 06028074, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
33. Mobiweb Limited, whose registered company number is 07486856, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
34. Nationwide Telephone Assistance Limited, whose registered company number is 04315226, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
35. Numbergroup Utilities Ltd, whose registered company number is 07390438, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
36. Pareteum Europe B.V., whose registered company number is 34252209 (registered in Netherland), and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

37. Premium Routing GmbH, whose registered company number is CHE-113.847.561 (registered in Switzerland), and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
38. QX Telecom Ltd, whose registered company number is 03820728, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
39. Resilient Plc, whose registered company number is 01403177, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
40. Tango Networks UK LTD., whose registered company number is 07051067, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
41. Secretary of State for the Home Department, Home Office, 2 Marsham Street, London, SW1P 4DF, United Kingdom.
42. Simwood eSMS Limited, whose registered company number is 03379831, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
43. Sky UK Limited, whose registered company number is 02906991, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
44. Sound Advertising Limited, whose registered company number is 03218628, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
45. Spacetel UK Limited, whose registered company number is 03036383, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
46. Storacall Technology Limited, whose registered company number is 02578478 any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
47. Stour Marine Limited, whose registered company number is 05914603, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
48. Swiftnet Limited, whose registered company number is 02469394, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
49. Synectiv Limited, whose registered company number is 03706138, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

50. Telecom2 Limited, whose registered company number is 06926334, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
51. Telecom 10 Ltd, whose registered company number is 06974505, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
52. Telecom North America Mobile Inc, whose registered entity number is C11057-1999 (registered in Nevada, USA) , and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
53. Telefónica UK Ltd, whose registered company number is 01743099, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
54. Telesign Mobile Limited, whose registered company number 4546322 and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
55. TGL Services (UK) Limited, whose registered company number is 09293520, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
56. Tismi BV, whose registered company number is 32081827 (registered in Netherland), and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
57. Truphone Limited, whose registered company number is 04187081, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
58. UK Number Store Limited, whose registered company number is 02883497, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
59. Vectone Mobile Limited, whose registered company number is 04553934, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
60. Virgin Mobile Telecoms Limited, whose registered company number is 03707664, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
61. Vodafone Limited, whose registered company number is 01471587, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

62. Voicetec Systems Limited, whose registered company number is 03948745, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
63. Voxbone SA, whose registered establishment number is BR017510, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
64. Wize Analytics Limited, whose registered company number is 11833185 any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
65. Ziron Limited, whose registered company number is 07597853, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

Schedule 2 – list of 070 providers

1. (AQ) Limited whose registered company number is 03663860, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
2. 24 Seven Communications Limited, whose registered company number is 04468566, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
3. 08Direct whose registered company number is 06428331, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
4. Affiniti Integrated Solutions Ltd, whose registered company number is, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
5. Alnitak GmbH whose registered entity number is HRB149805 (registered in Germany), and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.
6. Atlas Interactive Group Limited, whose registered company number is 03249486, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
7. AQL Wholesale Limited, whose registered company number is 05134355, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
8. Barritec Limited, whose registered company number is 03636926, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
9. Barritel Limited, whose registered company number is 04101655, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
10. Business Broadcast Communications Limited, whose registered company number is 06949556 , and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
11. CFL Communications Ltd, whose registered company number is 04419749, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
12. Citrus Telecommunications Ltd., whose registered company number is 03517870, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;

13. Cloud9 Communications Limited, whose registered company number is 07153956, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
14. Cloudcall Limited, whose registered company number is 05557457, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
15. Colt Technology Services, whose registered company number is 02452736, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
16. Core Telecom Limited, whose registered company number is 05332008, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
17. Daisy Communications Ltd, whose registered company number is 04145329, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
18. Digital Mail Limited, whose registered company number is 02661078, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
19. Digital Select Limited, whose registered company number is 06481372, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
20. Dynamic Mobile Billing Limited, whose registered company number is 03383285, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
21. ETC Telecom Limited, whose registered company number is 06295193, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
22. FEBO Telecom Limited, whose registered company number is 303614 (registered in Cyprus) , and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
23. Flextel Limited, whose registered company number is 02772380, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
24. Gamma Telecom Holdings Limited, whose registered company number is 04287779, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
25. GCI Network Solutions Limited, whose registered company number is 04082862, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;

26. Hospedia Limited, whose registered company number is 02841021, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
27. Internet of Things Limited, whose registered company number is 08092142, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
28. IV Response Limited, whose registered company number is 04318927, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
29. Jtec UK Limited, whose registered company number is 05054246, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
30. KCOM Affiniti, whose registered company number is 03271933, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
31. Magrathea Telecommunications Limited, whose registered company number is 04260485, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
32. Mars Communications Limited, whose registered company number is 06478834, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
33. Media Telecom Limited, whose registered company number is 07126854, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
34. MI Telecom Limited, whose registered company number is 02668468, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
35. Mintaka Limited, whose registered company number is 07064805, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
36. Mobile FX Services Limited, whose registered company number is 6028074, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
37. Nexus Telecommunications Limited, whose registered company number is 03895766, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
38. Numbergroup Utilities Ltd, whose registered company number is 07390438 and registered address is 207 Regent Street, London, United Kingdom, W1B 3HH;

39. Numbers Plus Ltd, whose registered company number is 07611130, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
40. One Network Limited, whose registered company number is 07549614, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
41. Phone Buddy Limited, whose registered company number is 04171159, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
42. Plus Telecom Limited, whose registered company number is 04052436, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
43. Promotions4All Limited, whose registered company number is 07046038, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
44. QX Telecom Ltd, whose registered company number is 03820728, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
45. Reality Network Services Ltd, whose registered company number is 04267969, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
46. Red Squared Limited, whose registered company number is 383037 (registered in Ireland), and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
47. Relax Telecom Limited, whose registered company number is **06777698**, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
48. Served Up Ltd, whose registered company number is 04555918, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
49. Simwood ESMS Limited, whose registered company number is 03379831, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
50. Sound Advertising Limited, whose registered company number is 03218628, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
51. Spacotel UK Limited, whose registered company number is 03036383, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;

52. Swiftel Limited, whose registered company number is 08159601, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
53. Swiftnet Limited, whose registered company number is 02469394, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
54. Syntec Limited, whose registered company number is 03529985, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
55. TalkTalk Communications Limited, whose registered company number is 03849133, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
56. Telappliant Limited, whose registered company number is 04632756, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
57. Telecom 10 Limited, whose registered company number is 06974505, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
58. Telecom2 Limited, whose registered company number is 06926334, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
59. TeleSurf Ltd, whose registered company number is 06427905, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
60. TelXL Limited, whose registered company number is 04249562, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
61. TGL Services (UK) Limited, whose registered company number is 09293520, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
62. Tipicall Limited, whose registered company number is 03216399, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
63. Tiscali UK Limited, whose registered company number is 03408171, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
64. TTNC Limited, whose registered company number is 05256607, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;

65. Twelve Telecom Limited, whose registered company number is 07846351, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
66. UK Number Store Limited, whose registered company number is 02883497, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
67. Virtual Talk Limited, whose registered company number is 04890632, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
68. Vodafone Business Solutions Limited, whose registered company number is 02186565, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
69. Vodafone Limited, whose registered company number is 01471587, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
70. Vodafone UK Limited, whose registered company number is 02227940, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
71. Windsor Telecom Plc, whose registered company number is 03752620, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
72. Wize Analytics Limited, whose registered company number is 11833185, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
73. Zestel Limited, whose registered company number is 08235267, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006.

Schedule 3 – SMP conditions

Part 1 – Application

- a) The SMP conditions in Part 3 of this Schedule, except where specified otherwise, apply to the Dominant Providers referenced in Column 2 of Table 1, in the relevant market listed in Column 1 of Table 1, to the extent specified in Column 3 of Table 1.
- b) Save as otherwise specified in any condition, each condition will enter into force 1 April 2021 and shall have effect until the publication of a notification under section 48(1) of the Act revoking such conditions.

Table 1: Relevant markets for the purposes of this Schedule

Column 1: Relevant market	Column 2: Market power determination (the provider on which the conditions in Column 3 apply)	Column 3: Applicable SMP condition as set out in Part 3 of this Schedule 1
Wholesale mobile voice call termination markets (MCT)	Dominant Providers, as specified in Schedule 1 to this Notification	Conditions: M1, M2 and M3
Wholesale 070 call termination markets (070)	Dominant Providers, as specified in Schedule 2 to this Notification	Condition M2

The conditions referred to in Column 3 of **Table 1** above are titled as follows—

Condition M1	Network access on reasonable request
Condition M2	Charge Control (UK calls)
Condition M3	Charge Control (non-UK calls)

Part 2 – Interpretation

1. In addition to the definitions set out above in this Notification, in this Schedule 3—

- a) **“070 Call”** means a voice call which originates on a public electronic communications network (whether fixed or mobile) and is terminated to a number beginning with the prefix 070 within a number range allocated by Ofcom to the Dominant Provider;
- b) **“Call”** means a Domestic Mobile Call or an 070 Call;
- c) **“Call Termination Charge”** means the charge or charges made by a Dominant Provider for terminating a Call;
- d) **“Consumer Prices Index”** means the index of consumer prices compiled by an agency or a public body on behalf of Her Majesty’s Government or a government department (which is the Office for National Statistics at the time of publication of this Notification) from time to time in respect of all items;
- e) **“controlling percentage”** means –
 - i) in relation to the Third Relevant Period, the amount of change in the Consumer Prices Index in the period of twelve months ending on 31 December 2021, expressed as a percentage (rounded to one decimal place) of that Consumer Prices Index as at the beginning of that period; minus 2.2%;
 - ii) in relation to the Fourth Relevant Period, the amount of change in the Consumer Prices Index in the period of twelve months ending on 31 December 2022, expressed as a percentage (rounded to one decimal place) of that Consumer Prices Index as at the beginning of that period; plus 2.1%;
 - iii) in relation to the Fifth Relevant Period, the amount of change in the Consumer Prices Index in the period of twelve months ending on 31 December 2023, expressed as a percentage (rounded to one decimal place) of that Consumer Prices Index as at the beginning of that period; plus 2.4%;
 - iv) in relation to the Sixth Relevant Period, the amount of change in the Consumer Prices Index in the period of twelve months ending on 31 December 2024, expressed as a percentage (rounded to one decimal place) of that Consumer Prices Index as at the beginning of that period; plus 1.5%;
- f) **“Domestic Mobile Call”** means a voice call which originates on a public electronic communications network (whether fixed or mobile) in the UK and is terminated to a mobile number within a number range allocated by Ofcom to the Dominant Provider;
- g) **“Dominant Provider”** means each person named in Schedule 1 or Schedule 2, as applicable;

- h) **“International Call”** means a voice call which is originated by an International Communications Provider outside of the UK and is terminated to a mobile number within a number range allocated by Ofcom to the Dominant Provider;
- i) **“International Call Termination Charge”** means the charge or charges made by a Dominant Provider for terminating an International Call;
- j) **“International Communications Provider”** means a person who terminates voice calls made to a number outside of the UK and which are originated by the Dominant Provider;
- k) **“Maximum International Termination Charge”** has the meaning given in Condition M3.2;
- l) **“network access”** means the provision of interconnection to the public electronic communications network provided by the dominant provider, together with any services, facilities or arrangements which are necessary for the provision of electronic communications services over that interconnection;
- m) **“pence per minute”** means the sum in pence charged for a minute of a voice call;
- n) **“Reciprocal Charge”** has the meaning given in Condition M3.4;
- o) **“Relevant Period”** means any of the following:
 - i) the period of two months beginning on 1 April 2021 and ending on 30 May 2021 (**“First Relevant Period”**);
 - ii) the period of 10 months beginning on 1 June 2021 and ending on 31 March 2022 (**“Second Relevant Period”**);
 - iii) the period of twelve months beginning on 1 April 2022 and ending on 31 March 2023 (the **“Third Relevant Period”**);
 - iv) the period of twelve months beginning on 1 April 2023 and ending on 31 March 2024 (the **“Fourth Relevant Period”**);
 - v) the period of twelve months beginning on 1 April 2024 and ending on 31 March 2025 (the **“Fifth Relevant Period”**);
 - vi) the period of twelve months beginning on 1 April 2025 and ending on 31 March 2026 (the **“Sixth Relevant Period”**);
- p) **“Surcharge”** has the meaning given in Condition M3.3; and
- q) **“third party”** means a person operating a public electronic communications network.

Part 3 - SMP Conditions

Condition M1 - Network access on reasonable request

- M1.1 (MCT)** Where a third party reasonably requests in writing network access, the Dominant Provider must provide that network access.
- M1.2 (MCT)** Where condition M2 or M3 below applies, the Dominant Provider shall provide network access in accordance with Condition M1.1 as soon as reasonably practicable and on fair and reasonable terms and conditions and on such terms and conditions as Ofcom may from time to time direct.
- In relation to charges, the Dominant Provider must comply with Condition M2 and Condition M3.
- M1.3 (MCT)** Where Condition M2 or M3 does not apply, the Dominant Provider must provide network access in accordance with Condition M1.1 as soon as reasonably practicable and on fair and reasonable terms, conditions and charges and on such terms, conditions and charges as Ofcom may from time to time direct.
- M1.4 (MCT)** The Dominant Provider must comply with any direction Ofcom may make from time to time under this condition.

Condition M2 - Charge control (UK calls)

- M2.1 (MCT and 070)** The Dominant Provider must ensure that for each Call on any day during any Relevant Period the Call Termination Charge (which shall be expressed in pence per minute) does not exceed the charge ceiling in Condition M2.2.
- M2.2 (MCT and 070)** The charge ceiling is:
- a) for any Call on a day in the First Relevant Period, 0.468 pence per minute;
 - b) for any Call on a day in the Second Relevant Period, 0.379 pence per minute;
 - c) for any Call on a day in the Third Relevant Period, Fourth Relevant Period, Fifth Relevant Period and Sixth Relevant Period an amount expressed in pence per minute (rounded to three decimal places) and equal to:
 - i) the charge ceiling, expressed in pence per minute (rounded to three decimal places), in the Relevant Period preceding the Relevant Period in which the Call was made;
 - ii) multiplied by the sum of 100 per cent and the controlling percentage for the Relevant Period in which the Call was made.
- M2.3** Without prejudice to Ofcom's statutory information gathering powers, the Dominant Provider must provide to Ofcom in writing at any time upon reasonable notice any

(MCT and 070) information reasonably required by Ofcom for the Dominant Provider to demonstrate compliance with this condition.

M2.4 (MCT and 070) The Dominant Provider must comply with any direction Ofcom may make from time to time under this condition.

Condition M3 - Charge control (non-UK calls)

M3.1 (MCT) The Dominant Provider must ensure that for each International Call on any day during any Relevant Period the International Call Termination Charge (which shall be expressed in pence per minute) does not exceed the Maximum International Call Termination Charge calculated in accordance with Condition M3.2.

M3.2 (MCT) In respect of each International Communications Provider, the Maximum International Call Termination Charge is an amount expressed in pence per minute which is equal to:

- a) the sum of the Dominant Provider's Call Termination Charge and the Surcharge (where the Surcharge is a positive number); or
- b) the Dominant Provider's Call Termination Charge (where the Surcharge is a negative number).

M3.3 (MCT) The Surcharge is the International Communications Provider's Reciprocal Charge minus the Dominant's Provider's Call Termination Charge.

The Surcharge shall be calculated as soon as reasonably practicable after the first day of the First Relevant Period and thereafter as soon as reasonably practicable after the date of any change made by the International Communications Provider of its Reciprocal Charge or, in the absence of any such change in any Relevant Period, on the first day of the following Relevant Period.

M3.4 (MCT) For the purposes of paragraph M3.3, Reciprocal Charge means the rate which is:

- a) charged by the International Communications Provider for terminating a voice call originated in the UK by the Dominant Provider; and
- b) expressed in pence per minute, by applying the average of the relevant daily spot exchange rates against sterling published by the Bank of England over the 12 month period ending on the date of the calculation.

M3.5 (MCT) Without prejudice to Ofcom's statutory information gathering powers, the Dominant Provider must provide to Ofcom in writing at any time upon reasonable notice any information reasonably required by Ofcom for the Dominant Provider to demonstrate compliance with this condition.

M3.5 (MCT) The Dominant Provider must comply with any direction Ofcom may make from time to time under this condition.