



News Release

TRA consults on the change of audit scope applicable to Batelco's regulatory accounts

Manama, Kingdom of Bahrain - Monday 21 March 2011

The Telecommunications Regulatory Authority (TRA) has recently issued a draft Determination for consultation which provisions for the change of audit standard of Batelco's regulatory accounts from "properly prepared" to "fairly presents".

As per the Telecommunications Law and the Accounting Separation Regulation issued on 2 August 2004, Batelco submits annually to TRA its regulatory accounts prepared in accordance with an approved framework and audited under the "properly prepared" standard.

The financial information contained in the regulatory accounts feed into Batelco's Reference Offer submissions where it is used as the primary basis for the setting of wholesale and retail tariffs. Given the importance of adequately priced regulated products in Bahrain (both at the wholesale and retail levels), it is critical for TRA to have a high level of assurance with regards to the information contained in the regulatory accounts.

In reviewing Batelco's regulatory reporting submissions, TRA has identified a number of deficiencies which need to be addressed through an enhanced audit requirement. As the current scope of the audit standard does not provide the necessary level of assurance, TRA is of the view that it should evolve from a "properly prepared" to "fairly presents" standard to ensure that the Auditor not only determines the compliance of regulatory accounts with the approved framework but also ensure that the framework itself is fair and appropriate.

The public version of the draft Determination can be viewed on TRA website at www.tra.org.bh. TRA invites comments on this consultation document from all interested parties. Comments should be submitted by 7 April 2011 at 4pm.

About TRA

Since its establishment in 2002 the Telecommunications Regulatory Authority of the Kingdom of Bahrain (TRA) has been working with government, consumers, operators and investors to develop the Kingdom of Bahrain into the region's most modern communications hub and to facilitate the growth of the market. As an exemplary Regulator for the region, TRA independently carries out its duties in a transparent and non-discriminatory manner. More information about TRA can be viewed at www.tra.org.bh