



Date: 21<sup>st</sup> April 2011  
Ref: BAH-0411-R074

**Market and Competition Department  
Telecommunications Regulatory Authority**

**Subject: Draft Determination changing the audit standard for Batelco's regulatory accounts from "Properly prepared within the bounds of materiality" to "Fairly presents".**

**(Non-confidential)**

**Dear Sir,**

In reference to the above mentioned consultation issued on 8 March 2011 Ref ID MCD03/11/027, please find enclosed VIVA response for your kind attention:

**Question 1:**

No addition.

**Question 2:**

VIVA Bahrain is in full support of improving market transparency, competition and ensuring that the TRA can effectively manage the development of the sector, however we do not believe that it is appropriate to change the audit standard considering the TRA concerns. We believe that improving market efficiency and transparency is a consultative process between the different sector players, the regulator and the operators, and should not be left to the discretion of the auditors. This is a healthy process that ensures that the regulator is intimately involved in the discussion that is critical to improving competition and transparency in the market. Furthermore, the deep knowledge that the regulator has acquired as a result of its intimate involvement in the sector will in turn benefit the operator and help it improve its regulatory know-how and develop its people further.

While we understand that there are challenges being faced with Batelco specifically, we believe that the size of Batelco, its experience in regulation and the size of its resource pool should allow it to dedicate the right level of attention to these challenges. And considering Batelco's market power and incumbent status, its resource pool, control of the fixed access network and revenue size, we believe that the TRA's extra investment of time is warranted.

P.O.Box. 21529,  
Road 68, Bldg. 15,  
Block 428,  
Seef District,  
Kingdom of Bahrain  
[www.viva.com.bh](http://www.viva.com.bh)



**Question 3:**

No response since we do not support the proposed approach for changing the audit standard.

**Question 4:**

We believe that the current Accounting Separation regulation guidelines provide a good approach for the audit report.

**Question 5:**

We agree with the TRA's position that Batelco's incumbent position in the market is unique (control of the fixed access network, revenue size, resource pool and experience in regulatory, etc...) and we have shared our position on the proposed change in audit standard.

**Contact Detail:**

Karim Tabbouche  
Chief Corporate Affairs Officer

**Tel:** 34011191  
**Mobile:** 33011191  
**Fax:** 34011853  
**Email:** [ktabbouche@viva.com.bh](mailto:ktabbouche@viva.com.bh)  
**Address:** P.O.Box 21529,  
Floor 12 ,Bldg. 15,  
Road 68, Block 428,  
Seef District,  
Kingdom of Bahrain

Yours sincerely,

**Karim Tabbouche**  
Chief Corporate Affairs Officer