

Subsidiary Legislation made under s.18(4) and rr.31 & 33 of the Communications (Authorisation and Licensing) Regulations 2006

Communications (Administrative Charges) Direction 2006

LN.2006/150

Commencement **7.12.2006**

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DIRECTION M01/2006

In exercise of the powers conferred on me by section 18(4) of the Communications Act 2006 and by regulations 31 and 33 of the Communications (Authorisation and Licensing) Regulations 2006 and of all other enabling powers, I issue this Direction under section 11 of the Communications Act 2006.

Title.

1. This Direction may be cited as the Communications (Administrative Charges) Direction 2006.

Interpretation.

2. For the purposes of this Direction—

“Authorisation Regulations” means the Communications (Authorisation and Licensing) Regulations 2006;

“authorised person” means a person deemed to be authorised under regulation 4 of the Authorisation Regulations;

“charging period” means a period of twelve months beginning with the date the Authority receives a complete notification under regulation 4 of the Authorisation Regulations;

“charging year” has the same meaning as in regulation 31 (9) of the Authorisation Regulations;

“network provider” means a person who in a charging year is authorised under regulation 4 of the Authorisation Regulations to provide an electronic communications network;

“relevant business” has the same meaning as under regulation 24 (4) of the Authorisation Regulations;

“relevant turnover” means such gross revenues as a network provider may have generated from relevant business in the previous charging year;

“service provider” means a person who in a charging year is authorised under regulation 4 of the Authorisation Regulations to provide an electronic communications service.

Administrative Charges.

3.(1) A service provider shall, at the beginning of each charging period, pay to the Authority an administrative charge of £ 2,000.

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(2) A network provider shall, at the beginning of each charging period, pay to the Authority an administrative charge calculated in accordance with the charging principle set out in paragraph 4.

(3) The charge of £2,000 referred to in sub-paragraph (1) shall be increased by 4% cumulatively each charging year.

(4) The charge which is to be calculated in accordance with the principle in paragraph 4 shall, in each charging year, never be for an amount which is less than £ 55,000.

Calculation of the administrative charge referred to in paragraph 3 (2).

4.(1) The administrative charge referred to in paragraph 3 (2) shall be calculated in accordance with the following charging principle–

$$\frac{A \times C}{B}$$

where A is the relevant turnover of the network provider, B is the total relevant turnover of all network providers and C is the costs incurred by the Authority in accordance with regulation 31 of the Authorisation Regulations in the previous charging year, less the amount received by the Authority under paragraph 3 (1).

(2) A network provider must provide the Authority, at the end of each charging year, with–

- (a) a statement of his relevant turnover for that charging year signed by that person or, if that person is a corporation, by two of its directors; and
- (b) if that person is an individual, a report by an auditor supporting the statement referred to in paragraph (a); or
- (c) if that person is a corporation, a copy of its annual accounts.

Period of application of the charges and charging principle set out in paragraphs 3 and 4.

5.(1) The administrative charges and charging principle set out in paragraphs 3 and 4 of this Direction shall apply for the charging year beginning on the date of commencement of the authorisation Regulations and, unless expressly revoked by me, shall continue to apply for all subsequent charging years.

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(2) Where the charging period and the charging year are not concomitant, the authorised person shall continue to pay the administrative charge applied to him at the beginning of the charging period until the end of that period.

Other Payments.

6. The payment of charges under this Direction does not relieve the person who is liable to make the payment from any requirement to make payments under Part VI of the Act or any other payments under the Act or any other Act.