

**GOVERNMENT OF PAKISTAN
MINISTRY OF INFORMATION TECHNOLOGY
(IT & TELECOM DIVISION)**

No. 2-8/2011-DT

Islamabad, the 17th June, 2014

Subject: REVIEW OF POLICY DIRECTIVE FOR ESTABLISHMENT OF INTERNATIONAL CLEARING HOUSE EXCHANGE FOR INTERNATIONAL INCOMING CALLS

In exercise of powers conferred under Section 8 of the Pakistan Telecommunication (Re-organization) Act 1996 (Amended 2006), Ministry of Information Technology, issued a Policy Directive on 13th August, 2012, to restructure the way international telecom traffic is terminated into Pakistan. To regulate incoming call rates, it was also mandated by the aforesaid Policy Directive that all international incoming calls to Pakistan be terminated through a single gateway called "International Clearing House (ICH)" instead of individual gateways of the Long Distance International (LDI) operators. Under this Policy, Pakistan Telecommunication Authority (PTA), being the sector Regulator, notified Approved Settlement Rates (ASR) including LDI operator margin and APC.

2. Considering the consequences of the ICH arrangement from the standpoint of competition in the LDI sector for terminating international calls, excessive call rates applied for the expatriate Pakistanis and other callers, the substantial increase in grey traffic terminating in Pakistan and to further the cause of market driven deregulated mechanism, PTA had recommended a review of the ICH Policy.

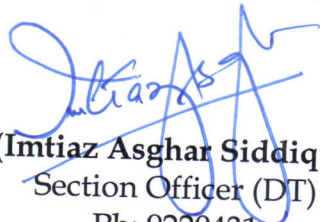
3. In view of the foregoing and in exercise of powers conferred under Section 8 of the Pakistan Telecommunication (Re-organization) Act 1996 (Amended 2006), Ministry of Information Technology is pleased to issue the following revised Policy directive for compliance of the PTA;

- i. Policy Directive for establishment of International Clearing House Exchange for International Incoming Calls, dated 13th August, 2012, issued vide MoIT letter No 9-1/2002-DT, is hereby withdrawn.



- ii. Relevant provisions and powers of PTA under Section 4.3 of the "De-Regulation Policy for Telecommunication Sector", 2003, are restored in original. Pakistan Telecommunication Authority (PTA) will have the Authority to determine Approved Settlement Rate (ASR), including APC, as done prior to ICH.
- iii. In the spirit of effective competition, the APC component of the ASR regime will be zero rated for the time being.
- iv. All ancillary matters pertaining to the discontinuation of the ICH regime will be handled by PTA in consultation with the Ministry of Information Technology.
- v. This revised policy will become effective on 1st August 2014 and will remain in force until further review.

4. The Minister in-charge for Information Technology has seen and approved the issuance of the directive in Para 3 above in light of the approval granted by the Prime Minister of Pakistan.


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To: Chairman,
Pakistan Telecommunication Authority,
Islamabad.

Cc:
1. PSO to Minister of State for IT & Telecom
2. PSO to Secretary IT