

# **SAUDI TELECOM COMPANY**

## **Reference Interconnection Offer (RIO)**

### **Annex B**

## **Billing Processes & Procedures**

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## **1 CHARGEABLE SERVICES**

### 1.1 Definition of Services

1.1 Chargeable services are those defined in Annex G (*Service Schedules*)

1.2 Delivered services and related installation and usage charges will be invoiced according to the principles defined in the Interconnection Agreement and the procedures defined in this Annex B. The value of charges raised will be calculated using the prevailing prices as defined in Annex F (*Price List*) and the formulae defined in this Annex B.

## **2 BILLING**

### 2.1 Billing for non-usage based services

2.1.1 STC will invoice the Other Licensed Operator for non-usage based services including, but not limited to, Collocation and Infrastructure sharing as defined in the associated Services Schedules in Annex G.

### 2.2 Billing for Link Services

2.2.1 STC will invoice the Other Licensed Operator for Interconnect Links In Span Interconnection ,Transmission Links and Wholesale Data Local Access circuits in accordance with the charging structure as outlined in Annex F (*Price List*).

2.2.2 The commencement date of charging for rental of Interconnect Links and Transmission Links and Wholesale Data Local Access circuits will be from the moment of handover for the services set out in Annex G, Service Schedules 3A 3B, 4A and 4 D respectively.

2.2.3 Billing for Interconnect Links ,Transmission Links and Wholesale Data Local Access circuits will relate to connection costs and rental costs in advance. The payment period will be as follows:

- Where new links are provisioned using new facilities, rental charges will be payable yearly in advance, during the first year. Thereafter, the rental charges will be payable on quarterly basis in advance (Hijra).
- Where new links are provisioned using existing facilities, rental charges will be payable on a quarterly basis in advance (Hijra).

2.2.4 Connection charges for Interconnect Links ,Transmission Links and Wholesale Data Local Access Circuits will be invoiced and payable at the date of STC's handover of the link.

2.2.5 The Billing Information for the services defined in Annex G (*Service Schedules*) Schedules 3A,3B , 4A and 4 D will be based on the information provided in Table 1 below.

**Table 1**

CIRCUIT COMMENCEMENT DATE	CIRCUIT NUMBER	A-END ADDRESS/ LOCATION DETAILS	B-END ADDRESS / LOCATION DETAILS	CIRCUIT TYPE	CONNECTION FEE	RENTAL	CEASE DATE

### 2.3 Billing for Usage-Based Services

2.3.1 STC will invoice the Other Licensed Operator for usage-based services as defined in Annex G (Service Schedules) according to the prices given in Annex F (Price List).

2.3.2 Usage-based calls that originate from the Other Licensed Operator's network and terminate on the STC Network shall be charged on a per second basis in general or per minute or per call basis where applicable and will be invoiced monthly in arrears for usage incurred up to the end of the calendar month for which the invoice will be raised.

- 2.3.3 Usage-based services for calls that originate from the Other Licensed Operator's network and terminate on third party networks (e.g. international operators) will be billed by STC to the Other Licensed Operator according to the appropriate Service Schedules and the prices given in Annex F (*Price List*).
- 2.3.4 Charges will continue to accrue per service instance until notice of cancellation of any one or more services has been received according to the Interconnection Agreement and cancellation actions such as de-provisioning have been executed by STC according to the service response timeframes given in Annex G (Quality of Service).
- 2.3.5 Cancellation of any one-service instance will not affect continuation of accrual of charges for any other service(s).
- 2.4 Detailed Billing Information for Usage Based Services
- 2.4.1 STC and the Other Licensed Operator will collect detailed Billing Information as set out in this Clause 2.4.
- 2.4.2 The following Billing Information will be recorded for each Call or other usage event type whether chargeable or not for which there is a Service Schedule provided in Annex G and will be based upon call detail records:
- Interconnect switch identifier
  - The dialled digits
  - The CLI
  - The date and the time when the answer signal is received by the Licensee providing the Billing Information
  - Chargeable duration (whether measured or derived)
  - The service type involved to the level of detail specified in the relevant Service Schedule
  - Such other information as may be agreed.

2.5 Retention of Detailed Billing Information

2.5.1 STC and the Other Licensed Operator will store the detailed Billing Information for a period of not less than twenty four (24) months after each Billing Period, in such a format and manner and in such amounts as will be sufficient to enable re-processing should it become necessary to recalculate the amounts due from one Licensee to the other to take account of changes in the relevant prices. This period is independent of any statutory and/or fiscal data retention requirements.

2.6 Interconnect Usage Report

2.6.1 STC and the Other Licensed Operator will process their respective versions of the Billing Information specified in Clause 2.4 so as to produce the matrix outlined below in Table 2, or such other form of interconnect usage report as STC and the Other Licensed Operator may from time to time reasonably agree, which will be referred to as the Interconnect Usage Report:

**Table 2**

Billing Period:	mmmm yyyy		
Call Type	Peak rate / off-peak rate 1 / off-peak rate 2		
Service Type	Total Number of Calls N	Total Duration M	Total Revenue R
TOTAL	ΣN	ΣM	ΣR

Where: mmmm yyyy = the Billing Period month and year

Where: N = the total number of Calls

Where: M = the total Chargeable Call Duration

Where: R = the total Revenue Charge which will comprise:

M x Rate per minute; or

N x Rate per call; or

M x Rate per minute plus N x Rate per call

- 2.6.2 For the avoidance of doubt, the Interconnect Usage Report will be produced for all applicable tariff time bands in place.
- 2.6.3 For charging purposes, calls will be considered to fall entirely within the charge period in which they started.
- 2.6.4 For billing and accounting purposes, calls will be considered to fall entirely within the billing period in which they finish.
- 2.6.5 STC and the Other Licensed Operator shall exchange Interconnect Usage reports together with the resulting invoice within four (4) weeks from the end of the Billing Period.
- 2.7 Reconciliation Procedure
- 2.7.1 Reconciliation of traffic flows between STC and the Other Licensed Operator will occur monthly. The Other Licensed Operator will compare its version of the Interconnect Usage Report with the corresponding version of the report as supplied to the Other Licensed Operator by STC.
- 2.7.2 The Other Licensed Operator and STC will agree that a discrepancy of up to three percent (3%) per service type will be accepted. That is to say that where there is a discrepancy between the Interconnect Usage Report supplied by the billing party and the similar report generated by the billed party and for any one service type the amount of the discrepancy is less than three percent (3%) or a monetary value of less than SAR 40,000 there will be no interconnection billing reconciliation procedure for that service type, otherwise the discrepancy will be subject to the reconciliation procedure detailed below.
- 2.7.3 Where the billed party has notified the billing party, within three (3) weeks of receipt of the invoice and supporting documentation, of a discrepancy between the Interconnect Usage Reports and such discrepancy is outside of the permitted tolerance as set out in Clause 2.7.2 the procedure set out in Clauses 2.7.4 to 2.7.9 inclusive shall apply.

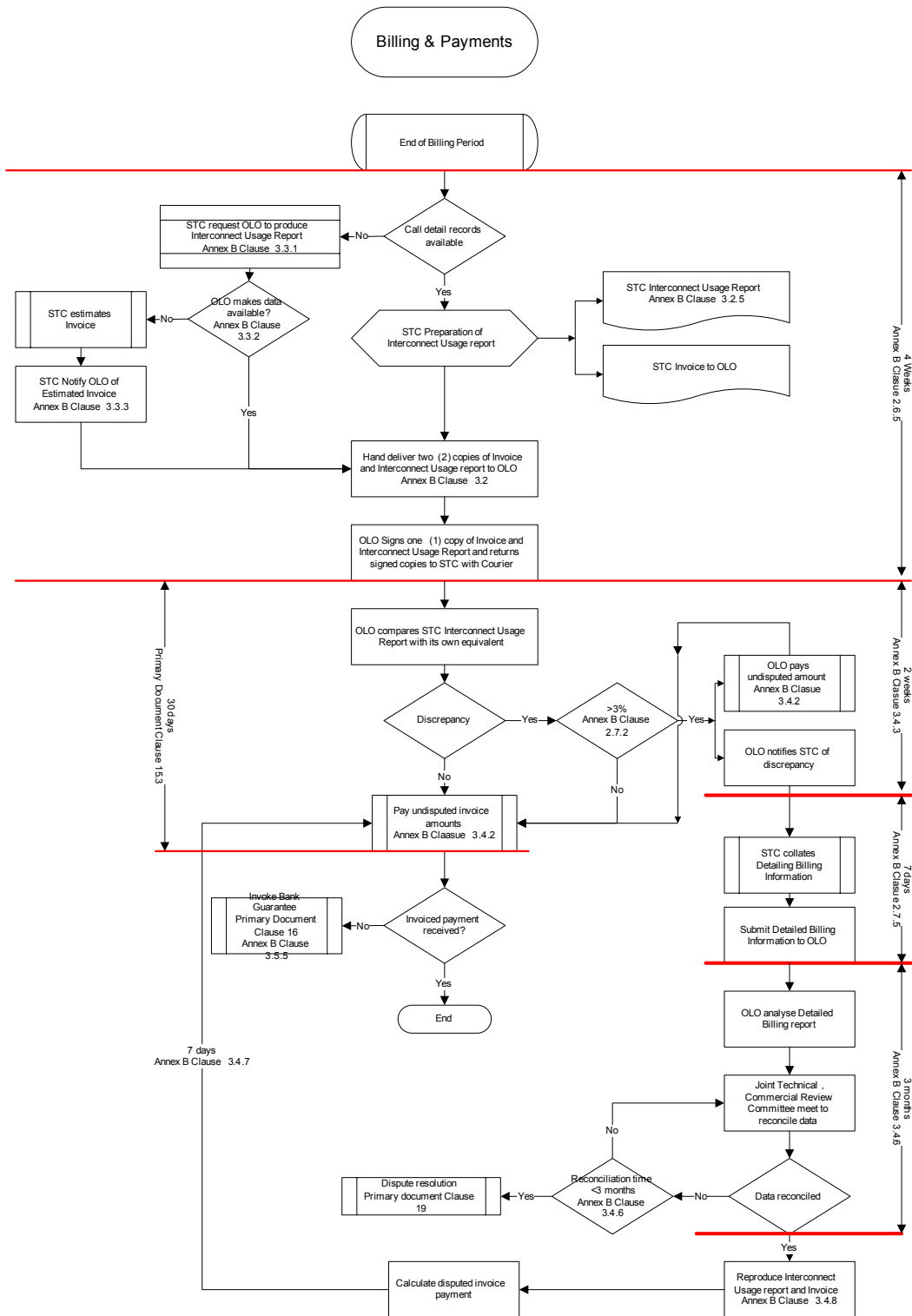


- 2.7.4 STC and the Other Licensed Operator will act in good faith to resolve the discrepancy in a timely manner.
- 2.7.5 Within seven (7) calendar days of the billed party notifying billing party of an unacceptable discrepancy the billing party will supply to the billed party the detailed billing information as defined in Clause 2.4 and the billed party will provide its similar information to billing party within the same timescale.
- 2.7.6 Each party will review the data supplied by the other party in order to determine the source of the discrepancy in the Interconnect Usage Reports.
- 2.7.7 In order to reconcile the billing discrepancy the Technical and Commercial Review Committee from both parties will meet within ten (10) Business Days of receipt of the detailed billing information, as defined in clause 2.4. Please also refer to Clause 19 of the Primary Document for the Resolution of Disputes.
- 2.7.8 Having identified the source of the discrepancy and having taken suitable corrective action both parties will produce new Interconnect Usage Reports and compare such reports to determine whether these new reports are within the acceptable tolerance limitations as set out in Clause 2.7.2.
- 2.7.9 Notwithstanding the other provision of this Clause 2.7 either party may waive its rights to participate in the reconciliation procedure by immediately adjusting its Interconnect Usage Report for the particular service type to be within the margin of the acceptable tolerance limits as set out in Clause 2.7.2.
- 2.8 Review of Billing Accuracy
- 2.8.1 If the Licensees' monitoring of their respective Billing Information indicates a persistent inconsistency in reconciling Billing Information provided by the Licensees' respective Billing Systems, the Licensees will use their reasonable endeavours to ascertain the cause of such inconsistency, including, subject to the agreement between the Parties, the reference of the matter for investigation and resolution by such appropriate independent International consultant as STC and

the Other Licensed Operator may agree, or in default of agreement, as may be nominated by the CITC. Such independent consultant will act as an expert (not as arbitrator) and whose decision, in the absence of manifest error, will be final and binding. The Licensees will co-operate in such investigation. The independent consultant's costs for such investigation will be paid by the Licensees in such proportions as the independent consultant will decide.

- 2.8.2 In the event of previously undetected errors in the Billing Information which result in either under or over invoicing and payment, STC or the Other Licensed Operator may request a review of the Billing Information for any Billing Period within twenty four (24) months of the date of the end of that Billing Period.
- 2.8.3 In the event that either party requests a review of billing accuracy, the interconnection billing reconciliation procedure will be initiated and during that interconnection billing reconciliation procedure, STC and the Other Licensed Operator will work together in good faith, taking more frequent measurements and exchanging detailed information as and when considered necessary by either party.

### 3 INVOICING



Invoicing Flow Diagram

### 3.1 Billing Period

3.1.1 For the avoidance of doubt all calendar periods are Hijra.

3.1.2 The Billing Period for Interconnect Traffic will be monthly commencing from 00:00 hours on the 1st day of each Calendar month or such other time as may be agreed from time to time between the Licensees. The end of each Billing Period will be 24:00 hours on the last day of each calendar month or such other time as may be agreed from time to time between the Licensees.

3.1.3 Invoices may present charges incurred in the period up to three (3) calendar months prior to the month to which the invoice relates, or, for services billable in advance, for such period according to the pricing for the service concerned.

### 3.2 Invoices

3.2.1 At the end of each Billing Period billing party will submit to the billed party, invoices for charges for Calls as outlined in the appropriate Service Schedules contained in Annex G or the Interconnection Agreement for which billing party is entitled to charge the billed party during such Billing Period.

3.2.2 Unless mutually agreed otherwise, billing party will hand-deliver two (2) copies of any invoice pertaining to Interconnect Services to the billed party. The billed party on receiving the invoice will sign and date one of the aforementioned copies as proof of delivery, which will be returned to billing party.

3.2.3 All charges payable under the Interconnection Agreement will be calculated in accordance with this Annex B and at the rates specified in Annex F (Price List), and the Interconnection Agreement as appropriate, as amended from time to time. Invoices raised pursuant to the Interconnection Agreement will be paid in accordance with Clause 15 of the Primary Document of this Reference Interconnection Offer.

3.2.4 For the avoidance of doubt, an invoice (including an invoice based on estimated information) will be dated as of the date of despatch of that invoice (the "Issue

Date”) and will be due for payment thirty (30) calendar days later (the “Due Date”).

3.2.5 The billing party will provide with the invoice appropriate Billing Information as defined in Clauses 2.1, 2.3 and 2.4 to calculate the invoice to enable the billed party to accurately process the invoice for such services.

### 3.3 Estimated Invoices

3.3.1 If the either Network or billing system fails to provide all of the Billing Information necessary for the billing party to prepare a full invoice, the billed party will at the request of the billing party use its reasonable endeavours to supply the missing Billing Information to billing. There will be no legal liability on the billing party arising from the preparation of an incorrect invoice by billing party where the inaccuracies in the said invoice result from inaccuracies in such Billing Information provided by the billed party to the billing party. Both parties acknowledge that Billing Information supplied by the billed party pursuant to this Clause 3.3.1 will have been supplied via a suitable system and that neither party can warrant that the information is free of error. Notwithstanding the above both parties will use best endeavours to ensure its systems and processes are error free and full reconciliation is the normal target.

3.3.2 In the event of Billing Information not being available to the billing party in time to produce the monthly invoice, STC and the Other Licensed Operator agree that an estimated invoice may be produced. This estimate will be derived using the following formula for the required detail of each separate traffic stream in the Services Schedules:

- Traffic Month N = Average of Traffic for Months (N-1) (N-2) and (N-3)
- This method of estimating invoices will not be used for consecutive months.

3.3.3 Both STC and the Other Licensed Operator will advise the other Party of the fact that any invoice is estimated together with the reasons for using estimates.

- 3.3.4 Final clearing of estimated Invoices must take place within three (3) months of the date of issue of the estimated invoice.
- 3.4 Invoicing Discrepancies
- 3.4.1 For the avoidance of doubt where the billed party considers for any given service type that the billing party's invoice does not accord with the calculations of the billed party and the discrepancy is within the limits of tolerance as set out in Clause 2.7.2 then the billed party will pay the billing party's invoice in full and by the Due Date.
- 3.4.2 If the billed party disagrees with any item on an invoice issued by the billing party then that part and value of the invoice shall be temporarily suspended for investigation and correction if necessary without otherwise affecting liability for settlement of the remainder of that invoice.
- 3.4.3 The billed party should submit a request for recalculation of that invoice within three (3) weeks from the date of receipt of that invoice. The Technical Review Committee or appointed billing sub committee from both parties will meet within one (1) week of such a request and use best efforts to reconcile the reports in a timely manner.
- 3.4.4 STC and the Other Licensed Operator will follow the reconciliation procedure as set out in Clause 2.7.
- 3.4.5 If such reconciliation has not been resolved before the Due Date, and if the amount in dispute is equal to or more than three percent (3%) of net amount or a monetary value of more than SAR 40,000 (excluding Government Royalties and Fees) for the specific service type of the relevant invoices, the total invoiced amount, less the disputed amount, will be due and payable on the Due Date.
- 3.4.6 Time to reach a final reconciliation of any invoice in dispute is three (3) months from the date of receipt of the request for calculation. If a resolution is not

reached, the matter will then be resolved according to Clause 19 of the Primary Document.

3.4.7 If on investigation it is agreed that there is found to be no error or such error varies less than three percent (3%) or a monetary value of SAR 40,000 from the correct amount then the billed party shall settle the value of the amount suspended in Clause 3.4.5 promptly within seven (7) calendar days of the date of such agreement.

3.4.8 If on investigation the billing party agrees that there is an error of a value greater than or equal to three percent (3%) or a monetary value of SAR 40,000 of the correct amount then the billing party shall re-bill the item at its corrected value in the normal way, which will be payable within seven (7) calendar days of receipt. Where the billed party has settled the original invoice in accordance with 3.4.5 and in circumstances where the revised invoice is for a lower amount than the amount of payment made against the original invoice then the amount of such overpayment will payable within seven (7) calendar days of such agreement.

### 3.5 Payment

3.5.1 Subject as stated below, all charges due to the billing party by the billed party will be payable by the Due Date.

3.5.2 If, pursuant to a dispute between the Licensees, the billed party has notified billing party of a dispute relating to such invoice and such dispute has not been resolved before the Due Date, and if the amount in dispute represents less than three percent (3%) or a monetary value of SAR 40,000 of the total amount for the specific service type (excluding Government Royalties and Fees), of the relevant invoice, the whole amount will be due and payable on the Due Date.

3.5.3 If, pursuant to a dispute between the Licensees, the billed party will have notified billing party of a dispute relating to such invoice and such dispute will not have been resolved before the Due Date, and if the amount in dispute is equal to or more than three percent (3%) or a monetary value of SAR 40,000 of the total

amount for the specific service type (excluding Government Royalties and Fees) of the relevant invoice, the amount, less the disputed amount, will be due and payable on the Due Date.

- 3.5.4 Notwithstanding notification of a dispute, if the billed party overpays any amount the overpayment amount will be repaid by the billing party to the billed party . Payment will be made within thirty (30) calendar days from the date of agreement that an overpayment has been made.
- 3.5.5 Notwithstanding notification of a dispute, if the Other Licensed Operator fails to pay on the Due Date any amount due under the Interconnection Agreement then STC may apply the bank guarantee as described in Clause 16 of the Primary Document. STC reserves the right to suspend new orders and also take any necessary action for the suspension of existing services. In case of the suspension of the existing services, STC shall notify in writing, thirty (30) calendar days in advance both the Other Licensed Operator and the CITC.
- 3.5.6 Relevant Government Royalties and Fees as applicable will be added to all or any part of the charges under the Interconnection Agreement and will be paid by the Licensee responsible for making such payment.

#### **4 DISPUTES**

- 4.1.1 Billing disputes between the Other Licensed Operator and STC will be resolved according to this Annex B in the first instance and in any event in accordance with Clause 19 of the Primary Document.



## 5 INTERCONNECT REPORTS

### 5.1 Sample Interconnect Traffic Report

5.1.1 The following table outlines the traffic-reporting format that will be used on a monthly basis.

Billing Period:	Start date: _____		End date: _____		
Call Type	Service Schedule	Switch # or POI	Calls	Minutes	Charge
Geographic Number Ranges	2A				
Mobile Number Ranges	2B				
Non Geographic Number Ranges	2C				
Satellite and Satellite Maritime and Coast Radio	2D				
Outgoing International	4B				
Country 1					
Country 2					
Country n					
Directory Enquiries	6				
Emergency Services	7				
Total					

### 5.2 Sample Interconnect Link Report

5.2.1 The following table outlines the Interconnect Link reporting format that will be used on a monthly basis.

Billing Period:	Start date: _____		End date: _____			
STC SN	OLO SN	Start date <sup>1</sup>	End date <sup>2</sup>	Link Number	Link Type <sup>3</sup>	Charge
Total						

<sup>1</sup> To be entered if Start date during billing period

<sup>2</sup> To be entered if End date during billing period

<sup>3</sup> Customer Sited Interconnect – CSI or In-Span Interconnect – ISI

### 5.3 Sample Transmission Link Report

5.3.1 The following table outlines the Transmission Link reporting format that will be used on a monthly basis

<b>Billing Period:</b>		<b>Start date:</b> _____		<b>End date:</b> _____			
<b>OLO Location (A end)</b>	<b>OLO Location (B end)</b>	<b>Start date<sup>1</sup></b>	<b>End date<sup>2</sup></b>	<b>Link Number</b>	<b>Circuit Speed</b>	<b>Circuit type</b>	<b>Charge</b>
<b>Total</b>							

### 5.4 Sample Wholesale Data Local Access Report

5.4.1 The following table outlines the Wholesale Data Local Access Circuits reporting format that will be used on monthly basis :

<b>Billing Period:</b>		<b>Start date:</b> _____		<b>End date:</b> _____		
<b>OLO Location (A end)</b>	<b>OLO Customer Location (B end)</b>	<b>Start date<sup>3</sup></b>	<b>End date<sup>4</sup></b>	<b>Circuit Speed</b>	<b>Charge</b>	
<b>Total</b>						

<sup>1</sup> To be entered if Start date during billing period

<sup>2</sup> To be entered if End date during billing period

<sup>3</sup> To be entered if Start date during billing period

<sup>4</sup> To be entered if End date during billing period