



## Telecom Information Bulletin CRTC 2010-115

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### Changes to ownership data collection for Canadian carriers

#### Introduction

1. In *Canadian ownership and control review policy*, Telecom Regulatory Policy CRTC 2009-428, 20 July 2009 (Telecom Regulatory Policy 2009-428), the Commission established a new framework for telecommunications ownership and control reviews. The new framework is based on four types of ownership and control reviews that provide the Commission with greater flexibility to deal with different ownership and governance structures.
2. The *Telecommunications Act* and the *Canadian Telecommunications Common Carrier Ownership and Control Regulations* (the *Regulations*) [together, the Ownership and Control Regime] detail the ownership requirements for Canadian carriers. Entities that have met the relevant obligations, including those related to ownership, are eligible to operate as Canadian carriers and are included on registration lists published on the Commission's website. Once these obligations are initially met, each carrier is required to report to the Commission annually about its ownership structure, pursuant to subsection 16(4) of the *Regulations* (Annual Filing).
3. Telecom Regulatory Policy 2009-428 sets out procedures to be followed in all future ownership and control reviews, which will take place at the following times: (a) prior to obtaining carrier status, (b) annually thereafter as part of the carrier's Annual Filing, and (c) at any other time the Commission deems such a review necessary.
4. The Commission noted in Telecom Regulatory Policy 2009-428 that this new framework was necessary because of a significant evolution in the telecommunications landscape, including the development of increasingly complex corporate structures and financing arrangements. The new framework will enable the Commission to adapt each review to the circumstances. However, this requires that the Commission possess adequate information to be able to determine the appropriate type of review and to assess a carrier's compliance with the Ownership and Control Regime.
5. As such, the Commission has undertaken an assessment of the data collection forms used to gather information about the ownership and control of Canadian carriers, and has determined that certain modifications are necessary. The purpose of this bulletin is to announce these modifications to the industry and provide additional guidance on Commission procedures regarding ownership and control reviews. In addition, this bulletin establishes clear procedures for carriers that do not respect their Annual Filing obligations.

## **Data collection forms**

6. The main change to the data collection forms is that in the case of a carrier with a multi-layered corporate structure, the Commission will require information concerning the entire corporate structure, including information related to any parent or holding companies. As such, information to be submitted in the new forms includes details about the capital structure, shareholders, and directors of any entity – such as a corporation, mutual insurance company, partnership, or trust – that has holdings in a Canadian carrier. The revised forms also include more detail about the specific individuals and entities that hold shares in the carrier. In addition to the data collection forms, the Commission may, at any time, request detailed information, including copies of agreements relating to ownership and control.

## **Implementation**

7. New registrants for carrier status will be required to fill out the revised forms for the proposed carrier and all holding entities. In order to ease the burden on the industry and facilitate the transition to these new data collection forms, the 2010 Annual Filing will be limited to the carrier level for all carriers that were on a registration list as of the date Telecom Regulatory Policy 2009-428 was published – that is, 20 July 2009. Starting with the 2011 Annual Filing, all carriers will be required to provide information on their entire corporate structure.

## **Notification**

8. In order to provide clear guidance to the industry on a carrier's eligibility, the Commission will be adding a new list of eligible telecommunications common carriers (the eligible TCC list) to its website. This new list of eligible facilities-based providers will contain existing carriers, and all carriers added subsequent to the publication of Telecom Regulatory Policy 2009-428. For new carriers, the list will specify the date they were determined eligible to operate. Existing carriers will be marked "existing" until the completion of their next annual filing.
9. When a new carrier is first determined eligible to operate, it will be added to the eligible TCC list and notified by Commission letter. When an existing carrier has completed its Annual Filing, the only notification of continued compliance will be the change to the eligibility date on this list.
10. While the list of eligible carriers will comprise all carriers deemed eligible to operate, it will not specify the class of services they are eligible to offer. Telecommunications service providers should consult the registration lists (competitive local exchange carrier, non-dominant, etc.) to verify that a carrier has met all the relevant obligations.

## **Annual Filings**

11. Pursuant to subsection 16(4) of the *Regulations*, Annual Filings are due no later than 90 days after the earlier of either (a) the carrier's annual general meeting or (b) the issuance of annual financial statements.

12. The Commission considers that the selection of a fixed reporting date for each carrier would facilitate the filing and collection process for ownership information. Accordingly, as part of future registrations and Annual Filings, all carriers will be required to choose a reporting date that complies with the *Regulations*. This date will be used as the due date for all future filings, except in the event that the carrier notifies the Commission of a change to that date.

### **Non-compliance**

13. The reporting requirements described in this bulletin are necessary for the Commission to conduct its analysis of Canadian carriers' ownership structures. The Commission requires accurate and timely information in order to ensure that Canadian carriers meet the requirements of the Ownership and Control Regime.
14. As of the date of this bulletin, the Commission will pursue the following remedies in order to ensure compliance with the Ownership and Control Regime:
  - 1) As described in paragraph 12, all carriers will be required to select a due date for their Annual Filings.
  - 2) When a carrier's due date has passed without the receipt of its Annual Filing, Commission staff will contact the carrier, allowing 30 days to provide current ownership information.
  - 3) If the carrier does not file within that time, the Commission may choose to pursue regulatory measures, including the possible revocation of carrier status.

Secretary General

*This document is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>.*