

Administrative Agency
Annual Report
for 6th Operation Year
1 April 2015 – 31 March 2016

1. Introduction

Administrative Agency (AA) launched its services on 31 March 2010 further to the promulgation of the Code for the Provision of Chargeable Mobile Content Services (Code) by CAHK on 11 January 2010 with the support and assistance by OFCA. AA continues to undertake the roles as below:

- (i) Assess Content Service Providers' (CSPs) capability of and securing their pledges in complying with the relevant requirements stipulated in the Code; and
- (ii) Monitor the CSP's continual compliance with the Code under the assistance by Mobile Network Operators (MNOs).

For the past years, AA has worked closely with OFCA, CSPs and MNOs to ensure MCS conformed to the standard as defined by the Code. With the continuous support and assistance from OFCA, the number of complaint cases had been reduced to less than one case each month during the 6th Operation Year 2015-2016.

Operation Highlights:-

- Letter of Positive Assessment (LPA) Renewal:
The annual LPA renewal process commences on 1st April each year for CSPs and related license fees applied.
- Random Checking:
Random check was being conducted on a monthly basis to proactively monitor MCS compliance to the Code.
- Compliance Checking:
Compliance check was being conducted when CSP submits MCS for approval.
- Follow-up Checking:
Follow-up check was being conducted when compliance checking or random checking needed to be follow-up for revising MCS to conform to the Code.
- Complaint Handling:
The number of complaint cases had been reduced significantly for the past two years. Please refer to Appendix I - Comparison of Complaints Statistics 2010-2016.

1.1 Organization Structure

<p><u>Governing Committee</u></p> <ul style="list-style-type: none"> • Mr. Stephen Ho (Chairman) – Chairman of Communications Association of Hong Kong • Mr. Kenneth Lau (Vice Chairman) – Vice Chairman of Communications Association of Hong Kong • Mr. Peter Hung – Chief Operating Officer of Multibyte Info Technology Limited
<p><u>Approving Authority</u></p> <ul style="list-style-type: none"> • Mr. Franky Lai – Chairman & CEO of Wisepot Company Ltd • Mr. John Chiu – Honorary Chairman of Hong Kong Wireless Technology Industry Association • Mr. Sutton Cheung – Chief Technology Officer of CITIC Telecom International Holdings
<p><u>Appeal Authority</u></p> <ul style="list-style-type: none"> • Prof. Xu Yan – Associate Dean/Associate Professor of HKUST Business School • Mr. Jonathan Cheng – Head of New Business of Telstra Global
<p><u>Legal Advisor</u></p> <ul style="list-style-type: none"> • Mr. Andrew Coden – Hogan Lovells • Ms. Gabriela Kennedy – Mayer Brown JSM
<p><u>OFCA Representative</u></p> <ul style="list-style-type: none"> • Mr. Chaucer Leung – Deputy Director-General (Telecommunications)

The AA operation team was supported by the secretariat office of CAHK as of 31 March 2016:

- Ms. Irene Kwok – Manager of CAHK
- Ms. Mia Ng – Administrative Officer of CAHK
- Ms. Yuki Dai – Administrative Assistant of CAHK

1.2 Regular Meetings

Totally six (6) meetings were held covering period from April 2015 to March 2016.

Date	Venue	Nature	Attendance
7-May-15	Lincoln House, Taikoo Place	8 th EXCO Meeting (Term 2014-2016) – report AA progress	Governing Committee, Reps of Approving Authority and Appeal Authority of AA
7-Jul-15	Lincoln House, Taikoo Place	9 th EXCO Meeting (Term 2014-2016) – report AA progress	Governing Committee, Reps of Approving Authority and Appeal Authority of AA
18-Sep-15	Lincoln House, Taikoo Place	10 th EXCO Meeting (Term 2014-2016) – report AA progress	Governing Committee, Reps of Approving Authority and Appeal Authority of AA
25-Nov-15	Lincoln House, Taikoo Place	11 th EXCO Meeting (Term 2014-2016) – report AA progress	Governing Committee, Reps of Approving Authority and Appeal Authority of AA
27-Jan-16	Lincoln House, Taikoo Place	12 th EXCO Meeting (Term 2014-2016) – report AA progress	Governing Committee, Reps of Approving Authority and Appeal Authority of AA
22-Mar-16	Lincoln House, Taikoo Place	13 th EXCO Meeting (Term 2014-2016) – report AA progress	Governing Committee, Reps of Approving Authority and Appeal Authority of AA

1.3 Review Meeting

One (1) meeting was held with OFCA on the topic related to AA's Position & Scope of Services

Date	Venue	Nature	Attendance
2-Jun-15	OFCA Office	Review meeting	OFCA - Danny Lau, Chaucer Leung, Esmond Chiu, Sidney Tsan & Yolanda Ma CAHK - Stephen Ho, Franky Lai, Kenneth Lau & Irene Kwok

2. Operation

2.1 LPA Application / Renewal Procedures

To increase the service level of AA's official website, CAHK updated the following items on 20 May 2016:

- LPA Application Form
- LPA Complaint Form
- LPA Renewal Form (2016-2017)
- LPA renewal procedure – AA will send the renewal form to the CSPs by not less than 45 days in advance of annual LPA service due (i.e. 31 March of the year).

2.2 LPA Renewal

With 31st March 2016 being the last date of LPA term for 2015 – 2016, AA required current CSPs to renew the LPA before expiry date of LPA annually. CSP filled in a renewal form together with valid Business Registration Certificate copy for CAHK's approval of the upcoming year of operation. CSP has the right to opt for or decline the renewal of LPA. AA will inform related MNO or (Mobile Virtual Network Operator) MVNO upon confirmation of the LPA renewal from the CSPs. For those CSPs with decline notice in the LPA renewal, AA will also inform related MNOs or MVNOs who shall disconnect the CSPs' concerned service from its network platform after expiry date of the operation term. For 2015-2016, there being seven (7) CSPs obtained valid LPAs.

2.3 Situation of Complaint Cases

2.3.1 Handling and Resolution

OFCA sent complaint cases to AA for investigation via email, AA will study and review the case details and check with CSPs regarding their findings e.g. users' log records, subscription flow and their proposed solutions to the case. Log records provided by CSPs will be forwarded to related MNOs for verification. With the assistance of MNOs, AA sent related documentations, log records and case details surrounding the case to Approving Authority Committees for making final decision on whether the cases comply with codes before reporting back to OFCA.

During the 6th operation year, AA had so far received one (1) complaint case on 30 March 2016.

	Total No. of Complaints	Remarks
Apr-15	0	
May-15	0	
Jun-15	0	
Jul-15	0	
Aug-15	0	
Sep-15	0	
Oct-15	0	
Nov-15	0	
Dec-15	0	
Jan-16	0	
Feb-16	0	
Mar-16	1	CSP being mTouch
TOTAL	<u>1</u>	

Remarks:

AA received a complaint case from OFCA on 30 March 2016. The findings on the complaint case were “**Users real subscription**” as proven by the CSP’s Customer Record Report submitted on 5 April 2016 to the AA. The case was then passed onto the relevant MNO for investigation and action. Subsequently, the MNO contacted the complainant on 14 April 2016 and finalized the case in terms of a full waiving on payment. The case was settled satisfactorily.

In addition, upon request by the AA, the CSP had sent the modification of its landing page (according to clause 3.2 of the Code) for review and record to avoid same happening again in the future.

Limitations:

For the complaint case handling procedure, the AA passed log records provided by CSP to the related MNO for verification. However, the MNO stated that they might need 2-3 weeks to check the relevant log records (user’s mobile originated) due to the complaint case was over one year’s period and all the log records had been archived. Thus, the AA had to compel the MNO to verify the log records within a specific period of time for its further action.

2.3.2 Recommendations on service flow and message content

According to the clause 3.2 of the Code, the information below should be well specified and emphasized during the first welcoming message sent to the users.

- a) Name of the subscription service;
- b) Subscription service charge and the price that will be charged for the content;
- c) Maximum charging incidences per billing period;
- d) The maximum charge per billing period;
- e) The expiry date of the subscription service; and
- f) The mechanism by which the Customer may use to cancel or terminate the service, with details of the customer hotline or helpline.

2.3.3 Review of Code of Practices

Code for the Provision of Chargeable Mobile Content Services

Aiming to reduce the number of complaints and strengthen the role of AA, refinement was made by OFCA regarding the content of *Code for the Provision of Chargeable Mobile Content Services* during 2015; in which there were several amendments highlighted in yellow as follows:

Clause 1.5.5

Mobile Content Service (MCS) means (i) the content service provided by a CSP and delivered via SMS/MMS via the network of a MNO or a MVNO to the access device of a Customer who subscribes to the public mobile radiocommunications service of that MNO or the mobile virtual network service of that MVNO, as the case may be, and (ii) the content service where a Customer's access device is connected to a CSP's audio recording system equipment via the **voice** network of a MNO or a MVNO to listen to pre-recorded audio messages, e.g. voice chat services.

Clause 1.7

This Code does not apply to the mobile content services where the MNO or an affiliate of the MNO is the content service provider or where the customer subscribes for the mobile content services via the MNO's sales channels (e.g. portal, website, IVRS platform and other sales channels). For such mobile content services, the MNO will assume responsibility under its licence, **and any dispute related to such services will be dealt with by the MNO concerned.**

Clause 1.8

This Code does not apply to services where a Customer is solicited to confirm payment for charges that are not solely, directly and explicitly linked to a Mobile Content Service covered under this Code. For the avoidance of doubt, services not solely, directly and explicitly linked to a Mobile Content Service include, but not limited to, SMS/MMS in relation to mobile payment services and internet based content services. For such services, the MNO will assume responsibility under its licence and will ensure that consumers of such services are fully and clearly informed of all information likely to influence the decision to purchase, including the cost, before any payment is made. Any dispute related to such services will be dealt with by the MNO and the CSP concerned.

Clause 1.9

A CSP shall only provide MCS already approved by the AA. For the avoidance of doubt, there will be non-compliance by a CSP with this Code if the CSP makes a material change to the content of an approved MCS without obtaining the prior consent of the AA, or provides a MCS which is not approved by the AA.

Clause 6.1

Before entering into a commercial contract with a CSP to provide delivery and billing services, a MNO should ensure that the CSP has been issued a letter of positive assessment by the AA as set out in paragraph 7.2 below and the CSP's concerned services are MCS approved by the AA.

Clause 6.2

The terms of the commercial contract between the MNO and CSP governing the provision, delivery and billing arrangement for approved MCS shall require the CSP to strictly comply with this Code (as amended from time to time).

Code of Practice for Telecommunications Service Contracts

There being no related cases recorded.

Code of Practice for Person to Person Marketing Calls

There being no related cases recorded.

2.4 Random Checking

The AA conducted the random checking on a monthly basis. For the past years, the MNOs and CAHK members had supported the operation in providing free-of-charge handsets and SIM cards for the checking purposes.

The primary process on random checking are based on the following criteria:

- Promotion materials (MCS website landing page and SMS trigger messages content), to ensure all the messages flows are complied with the Code.
- Instructions/website (landing pages) checking, to assure their continual compliance with the Code.
- Hotline checking, to make sure customer hotlines are reachable and accessible.

Month	CSP Name	MCS	Shortcode	Contents
Apr-15	Hong Kong Commercial Broadcasting Co. Ltd	有誰共鳴	50881903 / China Mobile, CSL, Hutchison, PCCW, SmarTone	Charity donation
Apr-15	Golden Dynamic Enterprises Ltd	Gameloft	507887 / China Mobile, SmarTone Hutchison	Online game item purchase (Single Purchase)
Apr-15	mTouche (HK) Ltd	KooChat	509396 / China Mobile, Hutchison, SmarTone	SMS chat service
Apr-15	Binbit Hong Kong Ltd	Entertainment Factory	506888 / CSL, Hutchison, China Mobile	Body age testing result subscription
Apr-15	Macro Kiosk HK Ltd	ALAWAR	503240 / Hutchison	Purchase online game
May-15	Ring & Tone Ltd.	Mark Six Tips	507171 / SmarTone	Mark Six tips service
May-15	Golden Dynamic Enterprises Ltd	Gameloft	507887 / China Mobile, SmarTone, Hutchison	Online game item purchase
May-15	mTouche (HK) Ltd	Name Analysis	509390 / SmarTone	Name analysis

Month	CSP Name	MCS	Shortcode	Contents
May-15	Binbit Hong Kong Ltd	Entertainment Factory	506888 / CSL, Hutchison, China Mobile	Body age testing result subscription
May-15	Macro Kiosk HK Ltd	Kiwichat	503236 / Hutchison, China Mobile, SmarTone	Online chatting room
Jun-15	Telewide Enterprises Ltd	Donation to Hong Kong Performing Artists Guide	508508 / CSL, Hutchison, PCCW, SmarTone, China Mobile	Charity donation
Jun-15	Hong Kong Commercial Broadcasting Co Ltd	有誰共鳴	50881903 / China Mobile, CSL, Hutchison, PCCW, SmarTone	Charity donation
Jun-15	Binbit Hong Kong Ltd	Entertainment Factory	506888 / CSL, Hutchison, China Mobile	Body age checking & tips
Jun-15	Golden Dynamic Enterprises Ltd	Gameloft	507887 / China Mobile, SmarTone, Hutchison	Game purchase
Jul-15	Macro Kiosk HK Ltd	Gaia Online	503230 / China Mobile, Hutchison, SmarTone	Online game subscription
Jul-15	Binbit Hong Kong Ltd	Xray Scanner	506888 / CSL, Hutchison, China Mobile	Tricky games
Jul-15	Telewide Enterprises Ltd	手機航班查詢服務	508506 / China Mobile, CSL, Hutchison, PCCW, SmarTone	HK Flight Schedule Cheking
Jul-15	Hong Kong Commercial Broadcasting Co Ltd	有誰共鳴	50881903 / China Mobile, CSL, Hutchison, PCCW, SmarTone	Charity donation

Month	CSP Name	MCS	Shortcode	Contents
Aug-15	Binbit Hong Kong Ltd	找出你的真愛	506888 / CSL, Hutchison, China Mobile	Fortune Tips
Aug-15	mTouche (HK) Ltd	MMCLUBE	509392, 509396 / SmarTone, China Mobile, Hutchison	Purchase game
Aug-15	Macro Kiosk HK Ltd	Text2Pay	503234, 503238 / China Mobile, Hutchison, SmarTone	Online game item purchase
Aug-15	Telewide Enterprises Ltd	Save the Child Donation	508506 / PCCW, SmarTone, CSL, Hutchison, China Mobile	Charity donation
Sep-15	Telewide Enterprises Ltd	Save the Child Donation	508506 / PCCW, SmarTone, CSL, Hutchison, China Mobile	Charity donation
Sep-15	Golden Dynamic Enterprises Ltd	Download Music	507887 / China Mobile, SmarTone, Hutchison	Download music
Sep-15	mTouche (HK) Ltd	六合寶寶助你發財中獎	509392/ China Mobile, SmarTone, Hutchison	Mark Six tips
Sep-15	Hong Kong Commercial Broadcasting Co Ltd	有誰共鳴	50881903 / China Mobile, CSL, Hutchison, PCCW SmarTone	Charity donations
Oct-15	Telewide Enterprises Ltd	Save the Child Donation	508506 / PCCW, SmarTone, CSL, Hutchison, China Mobile	Charity donation
Oct-15	Hong Kong Commercial Broadcasting Co Ltd	有誰共鳴	50881903 / China Mobile, CSL, Hutchison, PCCW, SmarTone	Charity donation

Month	CSP Name	MCS	Shortcode	Contents
Oct-15	Macro Kiosk HK Ltd	Aisa's Got Talent	503230 / China Mobile, SmarTone	Vote favor signers
Oct-15	Golden Dynamic Enterprises Ltd	Gameloft 神來也德州撲克	507887 / China Mobile, SmarTone, Hutchison	Online game item purchase
Nov-15	Macro Kiosk HK Ltd	Kiwichat	503236 / Hutchison, China Mobile, SmarTone	Online chatting room
Nov-15	mTouche (HK) Ltd	有趣鈴聲下載	509390 / Hutchison, SmarTone	Online download
Nov-15	Telewide Enterprises Ltd	UNHCR HK-One Minutes (Donation)	508506 / PCCW, SmarTone, CSL, Hutchison, China Mobile	Charity donation
Nov-15	Golden Dynamic Enterprises Ltd	Gameloft 神來也十三支	507887 / China Mobile, Hutchison, SmarTone	Online game item purchase
Dec-15	Hong Kong Commercial Broadcasting Co Ltd	有誰共鳴	50881903 / China Mobile, CSL, Hutchison, PCCW, SmarTone	Charity donation
Dec-15	mTouche (HK) Ltd	2015年運程預測	509390 / China Mobile, CSL, Hutchison, SmarTone	Fortune telling
Dec-15	Telewide Enterprises Ltd	MSF HK – Drip by Drip (Donation)	508506 / PCCW, SmarTone, CSL, Hutchison, China Mobile	Charity donation
Dec-15	Macro Kiosk HK Ltd	Mobiplus	503230 / China Mobile, Hutchison	Online download

Month	CSP Name	MCS	Shortcode	Contents
Jan-16	Telewide Enterprises Ltd	MSF HK - Dr. Stanley (Donation)	508506 / PCCW, SmarTone, CSL, Hutchison, China Mobile	Charity donation
Jan-16	Macro Kiosk HK Ltd	Mobiplus	503230 / China Mobile, Hutchison	Online download
Jan-16	Hong Kong Commercial Broadcasting Co Ltd	有誰共鳴	50881903 / China Mobile, CSL, Hutchison, PCCW, SmarTone	Charity donation
Jan-16	Golden Dynamic Enterprises Ltd	Gameloft 神來也 13 張麻雀	507887 / China Mobile, SmarTone, Hutchison	Online game item purchase
Feb-16	Macro Kiosk HK Ltd	Fun2cell	503230 / China Mobile, Hutchison	Online download
Feb-16	Golden Dynamic Enterprises Ltd	Gameloft 神來也德州撲克	507887 / China Mobile, SmarTone, Hutchison	Online game item purchase
Feb-16	Telewide Enterprises Ltd	UNHCR HK-One Minutes (Donation)	508506 / PCCW, SmarTone, CSL, Hutchison, China Mobile	Charity donation
Feb-16	Hong Kong Commercial Broadcasting Co Ltd	有誰共鳴	50881903 / China Mobile, CSL, Hutchison, PCCW, SmarTone	Charity donation
Mar-16	mTouche (HK) Ltd	2016 十二生肖運程讓你過得更美好	509390 / China Mobile, Hutchison, SmarTone	Fortune telling
Mar-16	Macro Kiosk HK Ltd	Mobiplus	503230 / China Mobile, Hutchison	Online download
Mar-16	Golden Dynamic Enterprises Ltd	Gameloft 神來也 16 張麻將	507887 / China Mobile, SmarTone, Hutchison	Online game item purchase
Mar-16	Binbit Hong Kong Ltd	Entertainment Factory	506888 / CSL, Hutchison, China Mobile	Online download

Follow-up Check & Compliance Check:

Month	CSP Name	MCS	Shortcode	Contents
Jul-15	Telewide Enterprises Ltd	手機航班查詢服務	508506 / China Mobile, CSL, Hutchison, SmarTone	HK flight schedule checking
Jul-15	Macro Kiosk HK Ltd	Mobiplus	503230/ China Mobile, Hutchison	Download games
Aug-15	Telewide Enterprises Ltd	Save the Child Donation	508506 / PCCW, SmarTone, CSL, Hutchison, China Mobile	Charity donation
Aug-15	Macro Kiosk HK Ltd	Mobiplus	503230/ China Mobile, Hutchison	Download games
Aug-15	Macro Kiosk HK Ltd	Trivia Quiz Service IQ & WIN	503230/ China Mobile, Hutchison	Win iPhone & iPad2
Sep-15	mTouche (HK) Ltd	NA	NA	Customer service hotline
Sep-15	Macro Kiosk HK Ltd	Mobiplus	503230/ China Mobile, Hutchison	Download games
Sep-15	Macro Kiosk HK Ltd	Trivia Quiz Service IQ & WIN	503230/ China Mobile, Hutchison	Win iPhone & iPad2
Oct-15	Golden Dynamic Enterprises Ltd	Gameloft	507887/ China Mobile, SmarTone Hutchison	Online game item purchase
Oct-15	Macro Kiosk HK Ltd	iPhone&iPad Quiz Campaign	503230/ Hutchison, China Mobile, SmarTone	Win iPhone & iPad
Nov-15	Macro Kiosk HK Ltd	Trivia Quiz Service IQ & WIN	503230/ China Mobile, Hutchison	Win iPhone & iPad2
Nov-15	Macro Kiosk HK Ltd	iPhone&iPad Quiz Campaign	503230/ Hutchison, China Mobile, SmarTone	Win iPhone & iPad

Month	CSP Name	MCS	Shortcode	Contents
Dec-16	Golden Dynamic Enterprises Ltd	NA	NA	Customer service hotline
Dec-16	Macro Kiosk HK Ltd	Trivia Quiz Service IQ & WIN	503230/ China Mobile, Hutchison	Win iPhone & iPad2
Jan -16	Macro Kiosk HK Ltd	Trivia Quiz Service IQ & WIN	503230/ China Mobile, Hutchison	Win iPhone & iPad2
Jan -16	Macro Kiosk HK Ltd	Mobiplus	503230/ China Mobile, Hutchison	Download games
Feb-16	Golden Dynamic Enterprises Ltd	NA	NA	Customer service hotline
Feb-16	Macro Kiosk HK Ltd	Mobiplus	503230/ China Mobile, Hutchison	Download games
Mar-16	mTouche (HK) Ltd	2016 十二生肖 運程讓你過得更美好	509390 / China Mobile, Hutchison	Fortune telling
Mar-16	Macro Kiosk HK Ltd	Mobiplus	503230/ China Mobile, Hutchison	Download games

Limitations:

- Since some pre-loaded games or applications required purchase before downloading, the AA has difficulty to check related content services.

2.4.1 Follow-up Action after Random Checking

- During random checking, the AA found that it was very time consuming to follow up the modifications of MCSs or landing pages due to the significant increase on changes very frequently by the CSPs. As such, the AA would need to take additional time on the follow-up and checking these items very carefully. The AA found that the CSPs were so far very cooperative, and that they would take immediate action to make necessary modifications to the MCS upon receiving the AA's comments.

2.4.2 Cancellation and Updates of MCS

- CSPs should notify the AA and resubmit relevant materials/ documentations to us for approval if there are any changes/ updates regarding the MCS content. Approval will be granted by the AA if these MCS are checked and confirmed compliance with the Code. During the 6th operational year, no cancellation has received and three (3) update of MCSs were submitted by CSPs.

2.5 Warnings

There was no warning issued during the 6th operation year 2015-2016.

2.6 Appeals

There was no appeal made by the Content Service Provider.

3. LPA List for 2015-2016

There were 7 CSPs during the operation year of 2015-2016.

No	Reference Code	Company Name
1	AA/20150007	Binbit Hong Kong Ltd
2	AA/20150005	Golden Dynamic Enterprises Limited
3	AA/20150001	Hong Kong Commercial Broadcasting Co. Ltd
4	AA/20150006	Macrokiosk HK Limited
5	AA/20150004	mTouche (HK) Limited
6	AA/20150002	Ring & Tone Limited
7	AA/20160003	Telewide Enterprises Ltd.
	Total	7 Companies

- Companies which did not apply for LPA renewal and were therefore withdrawn from the LPA list for 2015-2016 are as below:

1. Interchan (Hongkong) Limited
2. SAP (Hong Kong Co Limited)

4. Charges for LPA Renewal

1 st Operation Year	31 March 2010 to 31 Mar 2011	<ul style="list-style-type: none"> • Grace Period. • No LPA annual fee is required.
2 nd Operation Year	1 April 2011 to 31 March 2012	<ul style="list-style-type: none"> • Basic Annual Charge: HK\$3,000@ include the fee for one short code. • CSPs of charity nature exclusive. • Annual Charge per Short-code: HK\$500@. • HK\$500 Annual Charge for extra Short-code
3 rd Operation Year	1 April 2012 to 31 March 2013	<ul style="list-style-type: none"> • Basic Annual Charge: HK\$3,000@, include the fee for one short code • CSPs of charity nature free annual charge • Annual Charge per Short-code: HK\$500@. (<i>Short code each for 5 MCS</i>). • 6th MCS onwards: HK\$100@.
4 th Operation Year	1 April 2013 to 31 March 2014	<ul style="list-style-type: none"> • Basic Annual Charge: HK\$3,000@, include the fee for one short code. • CSPs of charity nature free annual charge. • Annual Charge per Short-code: HK\$500@. (<i>Short code each for 5 MCS</i>). • 6th MCS onwards: HK\$100@.
5 th Operation Year	1 April 2014 to 31 March 2015	<ul style="list-style-type: none"> • Basic Annual Charge: HK\$3,000@, include the fee for one short code. • CSPs of charity nature free annual charge. • Annual Charge per Short-code: HK\$500@ (<i>Short code each for 5 MCS</i>). • 6th MCS onwards: HK\$100@.

6 th Operation Year	1 April 2015 to 31 March 2016	<ul style="list-style-type: none"> • Basic Annual Charge: HK\$3,000@, include the fee for one short code. • CSPs of charity nature free annual charge. • Annual Charge per Short-code: HK\$500@ (<i>Short code each for 5 MCS</i>). • 6th MCS onwards: HK\$100@.
7 th Operation Year	1 April 2016 to 31 March 2017	<ul style="list-style-type: none"> • Basic Annual Charge: HK\$3,450@, include the fee for one short code. (Price Increase) • CSPs of charity nature free annual charge. • Annual Charge per Short-code: HK\$500@ (<i>Short code each for 5 MCS</i>). • 6th MCS onwards: HK\$100@.

Note:

In order to encourage CSPs to maintain consistent compliance with code, the AA had offered an incentive HK\$1,000 to CSPs who received less than 5 complaints in the preceding operation year. However, in consideration of the complaint cases being reduced significantly for the past two years with the great support from OFCA, the AA will not continue offering such incentive anymore with effect from the 7th operation year 2016-2017.

5. Audited Financial Statement

After several years of sponsorship frozen, the sponsorship from OFCA for the 6th Operation Year (2015-2016) of the AA was increased by HK\$100,000 to HK\$400,000. Together with the renewal fee of LPA, CAHK had a total income of HK\$418,600 for the AA's operation in the year ended 31 March 2016.

The expenditure was controlled at HK\$480,755 in this year but the AA still had a deficit of HK\$62,155. This was the 5th consecutive year with net deficit. The accumulated net deficit was HK\$320,628.

Please refer to the audited report of the AA which has been approved by the Committee Members and submitted to OFCA with this Annual Report.

6. AA Website

The AA website is <http://www.aa.cahk.hk>.

- (a) The updated *Code for the Provision of Chargeable Mobile Content Services* has been published on the AA's website on 20th January, 2016.
- (b) The forms (LPA Application form, Complaint form & Appeal form) are available on the AA's website which can be accessed and downloaded by the public.

End of the Report

Appendix I

Comparison of Complaint Statistics 2010-2016

