Annual Report
1438 - 1439
2017
Custodian of the two Holy Mosques

King Salman Bin Abdulaziz Al Saud
His Royal Highness
Prince Muhammad bin Salman bin Abdulaziz Al Saud

Crown Prince
Deputy Prime Minister
Minister of Defense
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The CITC is ambitiously moving forward towards achieving the ICT sector’s strategic objectives as part of the Kingdom’s Vision 2030. The aim is to create a competitive, balanced and diversified economy based on innovation and knowledge in view of achieving sustainable development and improving the quality of life of Saudi citizens through the implementation of a number of initiatives. It is expected to have a positive impact on scaling up the CITC activities and thus contributing to economic growth.

In line with the CITC strategic development plan initiated in 2017, the ICT sector has witnessed over the past year significant progress and changes to further meet the aspirations of the Kingdom’s leadership and citizens, through the revision of regulations and legislations, along with the expansion and promotion of ICT markets as a means for introducing new and sophisticated services to meet the needs of beneficiaries, namely individuals and the business and government sectors. It all contributed to supporting the sector and enabling it to play a major and active role in the national economy while increasing its contribution to the Kingdom’s GDP.

The CITC plays a supportive and complementary role to the Ministry of Communications and Information Technology with the aim to adopt a strategy based on a clear vision for the sector by creating and enabling legislative and regulatory environment for competitive markets, encouraging creativity and innovation, protecting the rights of users, providing high quality services and products, enhancing the capacity of the sector locally, regionally and internationally, attracting investments, and reinforcing the use of ICT resources while turning its concepts and uses into a tool to reduce the digital divide and reach a knowledge society.

The current report documents the most significant achievements by the CITC during 2017 thanks to the support and encouragement of the Custodian of the Two Holy Mosques King Salman Bin Abdulaziz and the Crown Prince, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz - may God protect them. Our deep thanks go to both of them for their support and to each and everyone who left their mark in those achievements namely the Governor of the CITC, the Board of Directors and all CITC staff members for their dedication and faithfulness.
The world is nowadays witnessing a tremendous development in the ICT field and its various applications, a development led by what is known as the ‘digital transformation’ which has a deep impact on peoples’ lives everywhere in the world. This transformation is instrumental for improving the human well-being, for the efficiency of actions and performance, and for addressing a wide range of difficulties and challenges. Saudi Arabia, under the leadership of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz, and the Crown Prince, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, has positively responded to those major developments through Saudi Arabia Vision 2030 and the National Transformation Program 2020 which identified several initiatives that are under way with the aim to meeting the desired aspirations.

The CITC is one of the main bodies involved in the implementation of the National Transformation Program which is seeking to achieve the Kingdom’s vision. It is responsible for regulating the ICT sector, stimulating it and optimizing its uses for sustainable development. The CITC activities in 2017 focused on four major areas: developing the ICT sector for more efficiency; incentivising the ICT services market by regulating and facilitating licensing; improving service quality and protecting user rights; meeting the needs of pilgrims in the Two Holy Mosques region. The Commission has made outstanding breakthroughs in these four areas, as described in this report.

During the year of achievements documented in this report, the CITC honored the Kingdom through its significant and distinctive presence on the international scene. Its activities included the production of information materials for awareness raising, market studies and the development of indicators for assessment of the various sector-related issues. The CITC is committed to constantly modernizing and developing the ICT sector in order to safeguard the prominent position of Saudi Arabia in that field.

I would like to address my deep thanks and appreciation to the staff of the CITC for their dedicated efforts, especially the Chairman of the Board of Directors and their Excellencies the members of the Board. What has been achieved is undoubtedly the result of the wise directions by our leadership that is looking for a bright future thanks to God’s help. God guide us on the right path.

Governor of the CITC
Vice Chairman of the Board
Dr. Abdulaziz bin Salem Al Ruwais
Executive Summary
1 Executive Summary

The Executive Summary provides a brief overview of the 2017 CITC annual report covering the following themes: the organizational framework of the CITC; the transformation of the ICT sector; the CITC strategy; the CITC current situation. The major activities and achievements of CITC are related to four main areas: developing the sector, licensing, and protection of users; serving the pilgrims; achievements and contributions on the international level; its media activities; its studies; the ICT indicators it adopted; its future plans for 2018.

2 The CITC organizational framework

The CITC is responsible for organizing and regulating the ICT sector in the Kingdom. It has a legal capacity and is financially and administratively independent.

3 The ICT sector within the 2020 National Transformation Program

The Kingdom of Saudi Arabia’s Vision 2030 includes three main areas to create “an ambitious homeland, a vibrant society and a thriving economy”; the 2020 National Transformation Program consists of an initial phase of translating the Vision’s objectives into reality. The Program offers a number of initiatives related to implementation plans shared by various government agencies. The CITC is one of the most important bodies involved in the implementation of the Transformation Program initiative and in achieving the Vision’s objectives.

4 Updating the CITC strategy

The CITC has prepared its strategic plan for the period 2016-2020, taking into account the development plans in the Kingdom, the current situation of the ICT sector, and the existing frameworks and regulations in comparison with international best practices. The strategic plan has been updated during the last quarter of 2017 to comply with the sector’s latest trends and directions, and to be fully aligned and integrated with the national digital strategy set forth by the CITC in view of organizing the efforts of the Ministry and its relevant bodies. The Strategy includes four main areas:

The National Transformation Program 2020

- Guarantee the availability of ICT services and optimize the infrastructure
- Organize the sector and enhance competition
- Protect users
- Develop and protect the Kingdom’s interests and reinforce its position on the regional and international levels
CITC organization

In 2017, the CITC developed its organizational structure in line with the ICT sector’s new regulatory circumstances and requirements. The organizational structure includes four departmental sectors: the regulatory and competition sector; the technology sector and infrastructure; users and partners-related sectors; and the institutional support sector.

As of the end of 2017 the CITC employed 411 staff, with 99.52% of the staff members being Saudi citizens.

Main achievements and activities

1 - ICT sector development

Drafted regulatory framework for cloud computing.

Updated the municipal regulations related to communication towers in order to improve the quality of service and increase Internet speed.

Prepared regulation for the deployment of ICT networks in the new urban development areas to promote infrastructure availability.

Adopted strategy and regulations related to the management of specific frequency bands for the deployment of IMT systems.

Mandate procedures for tariffs approvals of ICT services for the protection of user rights.

Launched a project to review and update reference offers (ROs) for network access and interconnection services to ensure a fair and transparent regulatory environment for all telecommunication service providers.

In order to promote geographic reach and availability of universal services throughout the Kingdom, the CITC established the Universal Services Fund (USF) for this purpose. By the end of 2017, the USF had completed implementation of eleven financed projects while three more were underway. These USF projects enabled provision of ICT services to 19,356 households in rural areas of the Kingdom.

The Fund has been further expanded to support broadband investment in remote areas.
In terms of numbers allocations, the Commission has implemented a national numbering plan for the allocation of numbers to different entities to meet the market requirements.

In terms of registering Internet domains in the Kingdom, the Commission approved 5,039 new domains in 2017. The number of issued domains totaled 51,953 domains.

In terms of type approval of ICT devices, the number of approval certificates granted by the CITC in 2017 was 5403.

2- Licenses

The number of valid licenses issued by CITC for providing ICT services was 329 at the end of 2017. CITC also issued a license that allows the leasing of telecommunication facilities which are part of the GCC Interconnection Authority, to telecommunication service companies licensed to operate in the Kingdom.

As for frequency licensing, in 2017 the CITC held the first auction for the award of frequency bands to IMT services in order to meet the need for more frequencies within the mobile telecommunication market and to set fair prices; it also responded to various spectrum management requirements.

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3- Serving the Pilgrims

The CITC has continuously sought to provide high quality ICT services to pilgrims during the Hajj season and the holy month of Ramadan with the increasing demand for diverse services and the need for more capacities in the Two Holy Mosques area. As a result, during the Hajj this year alone, 700 million calls were successfully completed over the networks and 23 thousand Terabytes of data were transferred.

4- Protection of user rights

Updated regulations related to consumer protection for users of ICT services, covering 14 categories. Regulations have been updated to guarantee the promotion and strict enactment of user rights.

The CITC has made available online all applications for complaints regarding provision of voice and video as well as data communication services.

Developed and published indicators of quality of services provided by different service providers, depending on the number of complaints received from users, in order to enhance the transparency and competition in the ICT services market.

Established a special platform to measure and test the quality of Internet services.

Developed and promoted informative documents for consumers describing their rights and enactment.

Developed measures to reduce spam.

The CITC received 95,617 complaints from ICT services users in 2017. The Commission developed a complaints system and built partnerships with the service providers to resolve the causes of complaints, in addition to activating a number of other solutions to reduce the number of complaints and increase user satisfaction.

The beneficial outcomes of these measures should become visible in 2018.

As for Mobile Number Portability Service, the CITC is ensuring operational continuity of this service with more than 800 thousand enacted transfers while monitoring the central database of ported numbers.

The beneficial outcomes of these measures should become visible in 2018.

In terms of Internet content filtering, traffic to sites that promote indecency, hate, violence, etc. were blocked, a total of 1,197,290 sites were blocked in 2017, a rise of 24% compared with the previous year.

To maintain a secure operating environment for ICT services, the CITC has once again given the issue a special attention through the National Center for Information Security, which currently operates within the National Center for Cybersecurity. Furthermore, a Guide to Information Security Policies and Procedures in the Public Sector was published. 50 government agencies signed up to the Guide’s recommendations.

The CITC has succeeded in solving 4,651 network security violation cases through the competent Committee.

The CITC monitors conformance of service providers with national regulations regarding citizens’ exposure to electromagnetic radiation from ICT infrastructure. The CITC is keen to maintain and improve the quality of mobile telecommunications services; therefore, it launched joint projects with a number of universities in the Kingdom to conduct quality of service and electromagnetic field level measurements.

Established measures requiring service providers to notify users of out-of-network calls.

Updated and developed a fair network usage policy to further protect user interests and enhance competition.
7- International achievements and participations

The Kingdom realized a number of achievements at the international level, including the leadership of the United Nations Commission on Science and Technology for Development, the United Nations Information and Communication Technology Council (CSTD), the United Nations Educational, Scientific and Cultural Organization’s Arab Group specialized in the Internet of Things and Smart Cities. It served as vice chair of the ITU Council working group on WSIS, and is still chairing the ITU Council Working Group on International Internet-related Public Policy Issues, the SG20RG-ARB and one of the Committees of the WTDC-17.

8- Media activities

The CITC pursued its awareness-raising activities while seeking to strengthen its campaign on anti-cybercrimes and penalties. The CITC prepared 21,689 media materials which have been distributed through traditional and electronic mass media channels. 21,689 is the number of media materials prepared by the CITC.

9- Studies and Reports

In 2017, CITC prepared and issued several studies and reports, most notably the Annual Report on the Status of ICT business in the Kingdom. The report presents a study of e-commerce in the Kingdom including review of the factors influencing adoption of e-commerce by individuals and business sectors. The report outlines the efforts made by various stakeholders towards developing this trade.

The CITC also completed a study of the ICT market in the Kingdom. It covered major issues such as the statistics of Internet usage and the levels of user satisfaction with both mobile and fixed telecommunication services.

10- Indicators

The CITC established and monitored a number of indicators on the status of ICT services in the Kingdom, as well as other relevant market aspects and their impact on society. The indicators covers the following topics:

- Capacity of international Internet connectivity
- ICT Contribution to the national economy
- Spending on ICT services
- Service providers’ revenues
- Extent of Internet usage
- User satisfaction with mobile services
- Overall satisfaction with fixed telephony services
Organizational framework of the CITC
Organizational framework of the CITC

CITC is responsible for regulating the ICT sector in the Kingdom. The Teleco Act issued by Royal Decree No. (M) 12 dated 12/3/1422H (2001) and its Bylaws, issued in 1423H (2002) provide the basis for the regulatory framework. Also, the CITC Ordinance was issued pursuant to the Council of Ministers’ resolution No. 74 dated 05/03/1422H (2001) and was amended pursuant to the Council of Ministers resolution No. 133 dated 21/05/1424H (2003). It defines the mandate and functions of the CITC in its capacity as ICT sector regulator which has a legal capacity and is financially and administratively independent. The Act lists a number of objectives as follows:

- Create a favorable market conditions to promote and encourage fair competition in ICT services
- Ensure effective usage of frequencies
- Ensure development of telecommunication technologies to keep pace with progress
- Ensure availability of advanced and adequate telecommunications services at affordable prices
- Ensure clarity and transparency of administrative procedures
- Ensure the principles of equality and non-discrimination in regulation
- Safeguard the public interest and the interests of users and investors
ICT sector within the National Transformation Program 2020
ICT sector within the National Transformation Program 2020

A plan for the transformation of the ICT sector has been developed within the National Transformation Program 2020. The main challenges of the ICT sector have been identified; over the next five years, gaps in this sector will be filled to meet the requirements of the Vision 2030. Deploying the broadband infrastructure is one of the major challenges, hence the set of initiatives had been adopted to address this challenge and meet the desired outcomes in the ICT sector.

The CITC started to execute the assigned initiatives as follows:

- Develop indicators for measuring broadband service quality and making them available to the public to motivate service providers for improving their service quality.
  - Percentage of achievement: 90%

- Create a regulatory framework for facilitating deployment of services and rising to the operational challenges between operators and municipalities.
  - Percentage of achievement: 20%

- Vacate frequencies necessary for providing broadband telecommunication services in fulfillment of the National Frequency Plan.
  - Percentage of achievement: 50%

- Develop technical standards for establishing the infrastructure of ICT networks and integrate them with civil construction codes while maximising use of existing infrastructure.
  - Percentage of achievement: 100%
Update the CITC’s strategy
Update the CITC’s strategy

The CITC has a strategic plan for the years 2016-2020, taking into account the developmental plans in the Kingdom and the ICT’s current situation, regulatory framework and action plans developed with view on international best practices.

This strategic plan was updated during the last quarter of 2017 to be in conformity with the sector’s updated trends and in line with the national digital strategy prepared by the Ministry of Communication and Information Technology to organize the efforts of the Ministry and its relevant bodies. This exercise will be followed by further update of the CITC’s strategic plan in 2018.

Contribute to performance improvement among services providers.

Develop infrastructure-related regulations and indicators.

Enable the use of modern ICT technologies in the Kingdom.

Develop regulations and indicators on the quality of services and monitor the networks performance.

Provide critical resources (frequency spectrum and numbering resources) and manage them in an effective way.

Develop ICT-related regulations in the standardization sector.

Facilitate the deployment of ICT networks.

Establish regulations to ensure continuity of services in emergency and disaster situations.

Regulate frequency spectrum so as to ensure its effective use.

In the updated strategy, the CITC focused on the regulatory activities which aim to achieve effective competition, exceptional services for end-users, and investment-stimulating environment through working along the following axes:

Promote competition by developing means and procedures to assess the cost of service provision, control tariffs and ensure inspection.

Enact the legal system pertinent to the ICT sector, provide legal support in fulfillment of the Commission’s objectives, as well as prosecution and litigation with third parties.

Raise the level of licensees commitment to the CITC regulations and protect the rights of users, government, and service providers.

Increase transparency through the participation of stakeholders in the formulation of regulations.

Enhance the investment environment of the sector by improving licensing procedures and related regulatory frameworks.

Publicise the sector data through indicators and studies on ICT markets.

Develop and implement the inspection and radio monitoring system.

Update and develop regulations, regulatory frameworks and related tools and align them with best practices.

Provide technology and infrastructure-related regulations and indicators.

Enable the use of modern ICT technologies in the Kingdom.

Update the CITC’s strategy.
Manage and develop the complaints system and raise its effectiveness.

Raise users’ awareness of their rights and obligations.

Raise the standards of service provision for conformance with the rights of users.

Measure the quality of Internet services in the Kingdom and contribute to its improvement.

Build efficient partnerships in the ICT sector

Enhance and upgrade a safe digital environment system.

Protect the ICT Related Interests of the Kingdom on the Regional and International Arena

Develop and Protect the ICT Related Interests of the Kingdom on the Regional and International Arena

Highlight the efforts and achievements of the Kingdom in the ICT sector

Maintain and further enhance the Kingdom’s leading participation in international activities and bodies

Benefit from the experience of telecommunication regulators in other countries and learn from best practices.

Promote the Kingdom’s representation in relevant ICT regional and international organizations and influence the negotiations to serve its interests.
Current organisation of the CITC
Current organisation of the CITC

5.1 Board of Directors

The Board of Directors is the highest governing authority of CITC. It oversees its administration, conducts its affairs, and develops its general policy. The current members of the Board are:

- **H.E. Engineer** Abdallah Bin Amer Al-Sawaha
  Minister of Communications and Information Technology
  Chairman of the Board

- **H. E. Mr.** Abdullah bin Abdulrahman Al-Kanhal
  Ministry of Finance

- **H.E. Dr.** Ahmad Ben Mohammad AL Suwaiyan
  Ministry of Finance

- **H.E. Dr.** Abdulaziz Bin Salem Al Ruwais
  Governor of the CICTC, Deputy Chairman of the Board/Chairman of the Board

- **H.E. Dr.** Abdullah bin Saad Almdimig
  Ministry of Trade and Investment

- **H.E. Dr.** Ziad bin Abdulaziz Al-Sheikh
  King Abdulaziz City for Science and Technology
5.2 Organizational structure

The CITC has reformed its organizational structure during 2017 to be in line with the modernized vision of the sector and in accordance with its role as the regulator of the sector.

5.3 Staffing

The CITC seeks to recruit competent and experienced staff to perform its tasks and achieve its objectives and to maintain a positive, stimulating and highly-productive work environment.

411 Staff
99.52% Percentage of Saudis
0.48% Percentage of non-Saudis
Main activities and achievements
Since the ICT sector is an essential component of advancement, efficiency and value creation throughout the economy, the CITC continued to provide and update its activities in 2017 to develop the ICT sector in the Kingdom and address some of the challenges that hinder the progress of the sector.

In this regard, the Commission sought to develop some regulations and worked hand in hand with other governmental stakeholders to overcome some difficulties and continue to develop the ICT services throughout the Kingdom. This section reviews the major activities and achievements in this regard.

6.1 Developing the ICT sector

6.1.1 The regulatory framework of cloud computing

The Commission has studied and analyzed the experiences of different countries in cloud computing regulation taking into account feedback from the public consultations. The developed Cloud Computing Framework aims at developing the ICT sector; providing a conducive environment to attract local and international investments; localizing the cloud computing services; stimulating the adoption of solutions and technologies in the Kingdom to improve performance, productivity and flexibility of both the public and private sectors; enabling the Knowledge Economy and Information Society; stimulating individuals and the public and private sectors for digital transformation to achieve the objectives of the National Transformation Program 2020, and the Kingdom’s Vision 2030. The Commission finalized the draft regulatory framework for cloud computing which is expected to be published in the first quarter of 2018.

Main activities and achievements
Current and future telecom technologies, namely 5G mobile telecom technologies, require that telecom towers be situated close to each other and be inside residential areas with high population density. However, the previous regulations of the Ministry of Municipal and Rural Affairs did not allow the building and setting up of telecom towers and base stations in residential areas. They could be situated only on commercial streets which are usually far from central areas in some residential districts, thus causing weak signals and poor quality of service due to the large distances between towers and overloading of radio channels on the limited number of towers. This resulted in sharing data capacity among a large number of users, leading to the low data speeds and unsatisfied mobile phone subscribers.

The issue was submitted to the competent authorities for consideration before eventually sending it to the Bureau of Experts at the Council of Ministers in view of examining and updating some of the municipal and technical regulations relating to licensing wireless telecom commercial devices and positioning of telecom towers. The highest competent authorities agreed to upgrade the regulations issued by the Ministry of Municipal and Rural Affairs as a means to lower restrictions on sites where the building of telecom towers is allowed. The approval included the building of towers in residential areas and installation of wall-mounted antennas on certain building facades; the building of telecom towers inside residential areas is to be in line with specific regulations, taking into consideration the urban planning of the districts. This new regulatory framework should lead to improving the wireless service quality and the speed of Internet access.

6.1.2 Updating municipal regulations related to telecom towers

6.1.3 Regulating the deployment of ICT networks in newly developed areas

With the aim of reducing the time spent on infrastructure construction and on service provision in the newly urbanised areas, and to avoid the repetition of costly drilling works which cause disturbance to the public, the Commission aimed to develop regulations for the deployment of ICT networks in the newly developed areas by describing the rights and obligations of developers and infrastructure service providers. The objective is to implement the external ICT network infrastructure in the newly developed urban areas; to build the physical infrastructure within buildings; to pave the way for prior coordination between infrastructure service providers and developers; to develop standards for the implementation of these networks and ensure the access of service providers to ICT infrastructure in a fair, neutral and non-discriminatory manner in the newly developed areas. This new regulation should contribute to the widespread geographic availability of telecommunication infrastructure and enhance competition which provides high levels of performance and options for users and helps reduce financial waste.

The draft regulation has been published for public consultation in 2017 and is expected to be adopted during the first quarter of 2018.
6.1.2 Updating municipal regulations related to telecom towers

Voice call termination rates reflect the compensation a service provider receives from another service provider for routing incoming calls to subscribers on its own network, as part of end-user fees collected for those calls by the service provider originating the calls. These rates are regulated by the CITC with the objective that it will contribute to reducing wholesale local voice-call termination rates among telecommunication service providers, and thus also reducing retail prices to the end-user. The reason is the observed link between wholesale voice-call termination rates used by service providers and their impact on prices paid by the end-users. The Commission is seeking to enhance and encourage competition in addition to providing telecommunications services at affordable prices. Based on the results of benchmark studies conducted by CITC and the examination of the best international practices, CITC has approved the following in 2017:

- The price ceiling of wholesale local voice-call termination rate on mobile telecom networks to be 0.55SAR.
- The price ceiling for wholesale local voice-call termination rate on fixed telecom networks to be 0.21 SAR.

These prices are compatible with the global average according to studies carried out by the Commission.

Regulating wholesale local voice call termination rates on fixed and mobile networks

What is the purpose of this decision?

- Enhance and encourage competition
- Provide telecommunication services at affordable prices
- From 10 halalas to 5.5 for mobile networks
- From 4.5 halalas to 2.1 for fixed networks

6.1.5 Establishing ceiling for international mobile roaming prices between GCC countries

The Ministerial Committee for Post, Telecommunication and Information Technology in each of GCC countries has approved the international mobile roaming price ceiling for GCC countries, which is the result of the efforts of the GCC Roaming working group; price ceilings for the following telecom services have been applied:

- The price ceiling for Local calls inside the roaming country to be 0.675 SR.
- The price ceiling for International calls to any other GCC country to be 1.688 SR.
- The price ceiling for Receiving calls during roaming in GCC countries to be 0 SR.
- The price ceiling for SMS sent during roaming to be 0.15 SR.
- The price ceiling for Data service during roaming in GCC countries to be 1.875 SR.
- The price ceiling for Local calls inside the roaming country to be 0.938 SR.
- The price ceiling for International calls to any other GCC country to be 2.325 SR.
- The price ceiling for Receiving calls during roaming in GCC countries to be 1.050 SR.
- The price ceiling for SMS sent during roaming to be 0.263 SR.
- The price ceiling for Data service during roaming in GCC countries to be 3.188 SR.

The third phase of reducing wholesale price ceilings for these services will be initiated on 01/01/2018 followed by applying reduction of retail price ceilings for the same services on 01/04/2018.
The CITC adopted a strategy for the management of allocated frequency bands for IMT systems during the first quarter of 2017. The objective is to optimize the utilization of this limited national resource; to create an enabling climate for fair and effective competition in mobile services; to use the identified frequencies for IMT systems effectively and without interferences; to safeguard clarity and transparency in the frequency award procedures for IMT systems; to achieve the principle of equality and non-discrimination among service providers; to prepare the ground and create an encouraging regulatory environment for the development and stimulation of wireless communication technology to keep abreast of developments.

The CITC wishes to improve the quality of ICT services in the Kingdom by stimulating investment based on network’s quality, performance and coverage to meet users expectation. The CITC noticed the need to re-evaluate the current situation in the Kingdom especially with regard to service quality, complaints handling and coverage. The CITC analyzed the current status of QoS to identify gaps. It also developed a set of key performance indicators to measure the quality of broadband services and bring it to the attention of the public in order to encourage service providers to improve the quality of their services, and focus on consumer service. Indicators will be provided in a comparative way to ensure transparency and enhance competition. A regulation is expected to be approved during the first quarter of 2018.

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Aiming to regulate the ICT sector and keep abreast of the latest technologies, the CITC has mandated prior approval as a requirement for all retail telecommunication services to ensure fair competition in the ICT market and to protect user rights. This was based on international benchmarking studies, analysis of best international practices and the state of ICT market development in the Kingdom.

The aim of the project is to review and update reference offers submitted by the dominant service providers for approval by CITC in order to ensure a fair and transparent regulatory environment for all telecommunication service providers. CITC is currently reviewing the reference offers which are expected to be adopted and published before the end of 2018.

6.1.6 allocation frequency bands for International Mobile Telecommunication (IMT) systems

6-1-7 Procedures for approval of ICT tariffs in the Kingdom

6.1.8 Service quality measurement methods

6.1.9 Project on reviewing the reference offers for network access and interconnection
6.1.10 Deployment of ICT services and the Universal Service Fund

As part of its efforts to achieve the objectives of the universal service policy and the right to universal use and to implement the strategic plan of the USF within the approved time frame, the USF finalized 11 projects while three others are underway. Thanks to these projects, services were provided to 19,356 localities across all areas and governorates of the kingdom. The Figures below show the USF projects in the Centre, villages and remote areas. It is worth mentioning that the CITC Board of Directors issued decision 5-126-2017 (dated 16/10/2017) to move the USF to the Ministry of Communications and Information technology.
Projects of the USF

In central areas, villages and Al-Hajar (Medina)

Number of central areas, villages and Al-Hajar that were served:

1,857

In the following governorates:
- Medina
- Wadi al-fare
- Bader
- Al-hanakieh
- Al-ais
- Yonbo
- Al-ala
- Al-mahd
- Khaibar

Around:
335,000 inhabitants

Projects of the USF

In central areas, villages and Al-Hajar (Riyadh)

Number of central areas, villages and Al-Hajar that were served:

2,018

In the following governorates:
- Riyadh
- Mrat
- Al-dar‘iya
- Al-khorj
- Al-dawadmi
- AL-majmaa
- Al-qoayiya
- wadi dawaser
- Al-aflaj
- Al-zalfi
- Chacra
- Howtat bona
- Tamim
- Afif
- Al-salil
- Darma
- Al-mazah
- mieh
- Rammah
- Sadek
- hrimala
- Alghat
- Al harik

Around:
495,000 inhabitants
Projects of the USF

In central areas, villages and Al-Hajar (Eastern District)

Number of central areas, villages and Al-Hajar that were served: 275
In the following governorates:
- Al-Damam
- Al-Khobar
- Al-Ehsa’
- Al-adid
- Hafr elbaten
- Al-jbeil
- Al-qatif
- Qariat al-alya
- Al-khafgi
- Ras tanoura
- Bajiq

Around: 147,000 inhabitants

Projects of the USF

In central areas, villages and Al-Hajar (Assir Region)

Number of central areas, villages and Al-Hajar that were served: 5,296
In the following governorates:
- Abha
- belqarn
- Taithilh
- Tanouma
- Al-namas
- rjal Alma’
- Al-Berek
- Mhayel
- Ahad rafida
- Khamis Machit
- Barek
- south Dhahran
- Tarib
- Almoujarada
- Bisha
- Sarat abida

Around: 815,000 inhabitants
Projects of the USF
In central areas, villages and Al-Hajar (Al Baha Area)

Number of central areas, villages and Al-Hajar that were served: 934

In the following governorates:
- Al-Baha
- Bani hassan
- Beljerchi
- Al-mandak
- Al-Mekhwat
- Far’at ghamed

Around: 208,000 Inhabitants

Projects of the USF
In central areas, villages and Al-Hajar (Al-Qasim)

Number of central areas, villages and Al-Hajar that were served: 570

In the following governorates:
- Braida
- aklat al-soukour
- ‘enneyza
- Ablas
- Darieh
- Al-nabhaniyeh
- Al-bakiriyeh

Around: 304,000 Inhabitants
Projects of the USF
In central areas, villages and Al-Hajar (Jazan)

Number of central areas, villages and Al-Hajar that were served: 2,612

In the following governorates:
- Al-daer
- Al-darb
- Al-rayth
- Al-idabi
- Houroub
- Bech
- Jazan
- Fifa
- Sebya’
- Abu Arich
- Ahad al-masarha
- Al-arda
- Al-harath
- Damd
- Fersan
- samta
- Atawal

Around: 869,000 Inhabitants

Projects of the USF
In central areas, villages and Al-Hajar (Al Jouf)

Number of central areas, villages and Al-Hajar that were served: 145

In the following governorates:
- Alqaryat
doumat aljendel
- Tabarjal
- Skaka

Around: 71,000 Inhabitants
Projects of the USF
In central areas, villages and Al-Hajar (Najran)

466

In the following governorates
- Al-kharkhir
- Badr eljanoub
- hbouna
- Khabach
- Najran

Number of central areas, villages and Al-Hajar that were served
Around
113,000
Inhabitants

Projects of the USF
In central areas, villages and Al-Hajar (Northern borders area)

124

In the following governorates
- Ar’ar
- Rafha
- Al-ouaykila
- Tarif

Number of central areas, villages and Al-Hajar that were served
Around
37,000
Inhabitants
Projects of the USF
In central areas, villages and Al-Hajar (Tbouk)

Number of central areas, villages and Al-Hajar that were served:
- Tbouk: 459
- Al-Beda':
- Al-wajh:
- Daba':

In the following governorates:
- Tbouk
- Tayma'
- Amlaj
- Hakl

Around:
- 116,000 inhabitants

Points

Projects of the USF
In central areas, villages and Al-Hajar (Ha'el area)

Number of central areas, villages and Al-Hajar that were served:
- Tbouk: 821
- Ha'el:
- Mokak:
- Al-ghazala:
- Smeyra':
- Bak'a:
- Al-souleymi:
- Al-ha'et:
- Al-chanan:

In the following governorates:
- Achamli
- Ha'el
- Mokak
- Al-ghazala
- Smeyra'
- Bak'a
- Al-souleymi
- Al-ha'et
- Al-chanan

Around:
- 243,000 inhabitants
One of the initiatives of the Transformation Program 2020 is the “expansion of the scope of USF investment in broadband for remote areas.” The target of this initiative is to increase the coverage of wireless broadband networks (more than 10 megabytes per second) in remote areas in order to cover 70% of households. During 2017, the scope of work for wireless broadband project no. 1 has been completed. This project covers the governorates of Alqurayat, Domat Aljandal, Sikaka and Tabrja in the Aljouf administrative district; the governorates of Aluwayqilah, Rafhaa, Tarifa and Arar in the Northern Borders administrative district; the governorates of Almajma’ah and Ramah in the Riyadh administrative district; and the governorates of Alkhafji, Hafr Albatin and Qariyat Abliya in the Eastern administrative district.

Aiming to facilitate the process of obtaining telecom licenses for provision of ICT services, CITC launched the electronic licensing services portal which offers the possibility of issuing, renewing, canceling and/or updating class B licenses, while sending notifications to licensed entities. The total number of valid licenses was 329 by the end of 2017. Details of issued licenses are shown in Appendix B.

CITC issued a Carrier Service Provider (CSP) license to the GCC Electricity Interconnection Authority (EIA), which links the GCC countries by an electricity supply network which also has fiber optic lines extending along that network. The license will enable the EIA to lease fiber optic cables to facility based telecommunication licensed companies in the Kingdom. It will also enable the owners of telecommunication facilities (fiber optic cables and towers) in the Kingdom to lease the surplus of these facilities to facility based telecommunication licensed companies that are licensed by the CITC.

Issuing the license for providing leasing utilities communications facilities service to the Electrical Interconnection Authority of the GCC States

6.2.1 Licenses to Provide Telecom Services

Aiming to facilitate the process of obtaining telecom licenses for provision of ICT services, CITC launched the electronic licensing services portal which offers the possibility of issuing, renewing, canceling and/or updating class B licenses, while sending notifications to licensed entities. The total number of valid licenses was 329 by the end of 2017. Details of issued licenses are shown in Appendix B.

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6.2.2 Licences for the use of radio frequencies

First auction for awarding IMT frequency bands

In 2017, the CITC held the first auction of radio frequency spectrum in the Kingdom of Saudi Arabia, in which total of 80 MHz of spectrum where offered in the 700 MHz and 1800 MHz IMT bands. The Commission auctioned the IMT frequencies as the mobile market needs more spectrum resources to meet the increasing demand for mobile broadband internet services.

Distributing frequencies to operators through an auction is a well established means for using market mechanism to set a fair price for spectrum and distribute it between operators according the actual demand. The CITC will continue to auction other frequencies in the coming years. In fact, this frequency award already contributed to increasing the average speed of mobile Internet access by more than 40% and it is expected that making full use of the spectrum to be awarded next may contribute to further improving mobile Internet access speeds by an additional 60% or more.
In 2017, many activities related to frequency assignment and monitoring were carried out. The following statistics illustrate the main activities in this area:

- **9,104** frequency assignments were renewed for use by government bodies, service providers, and private institutions and companies in the Kingdom.
- **4,340** maritime licenses were issued and renewed using frequencies for ships and recreational and fishing boats, 37 amateur wireless licenses, 87 licenses for using amateur wireless frequencies and 1,842 licenses for wireless stations for aeronautical navigation and communications.
- **1,121** reports about harmful interference between frequency users in the Kingdom have been reviewed and resolved.
- **2101** Frequency allocations were canceled due to implementation of the National Frequency Spectrum Plan or because users no longer needed them.
- **1,121** reports about harmful interference between frequency users in the Kingdom have been reviewed and resolved.
- **4,340** maritime licenses were issued and renewed using frequencies for ships and recreational and fishing boats, 37 amateur wireless licenses, 87 licenses for using amateur wireless frequencies and 1,842 licenses for wireless stations for aeronautical navigation and communications.
- **1121** reports about harmful interference between frequency users in the Kingdom have been reviewed and resolved.
- **367** devices have been calibrated, 160 devices for frequency spectrum management system have been repaired, and technical measurements have been performed for 495 wireless devices.
- **367** devices have been calibrated, 160 devices for frequency spectrum management system have been repaired, and technical measurements have been performed for 495 wireless devices.
- **52** inspection of 52 sites was carried out to ensure that institutions are using these frequencies according to the technical specifications under which these frequencies were licensed by the CITC.
- **52** inspection of 52 sites was carried out to ensure that institutions are using these frequencies according to the technical specifications under which these frequencies were licensed by the CITC.
- **306** frequencies unlicensed have been monitored and addressed to the competent authorities to control the devices they are using and take legal action.
- **618** frequencies were identified, monitored, and dealt with for their impact on coverage beyond the borders of the Kingdom and which originate in neighboring countries.
- **618** frequencies were identified, monitored, and dealt with for their impact on coverage beyond the borders of the Kingdom and which originate in neighboring countries.
- **1982** frequencies have been monitored to determine the scope of use for each in order to achieve the optimal use of frequencies.
- **1982** frequencies have been monitored to determine the scope of use for each in order to achieve the optimal use of frequencies.
- **9,047** allocated frequencies have been monitored to determine the actual usage for each in order to achieve the optimal use of frequencies.
- **9,047** allocated frequencies have been monitored to determine the actual usage for each in order to achieve the optimal use of frequencies.
6.2.3 Licenses and accreditation of ICT devices

CITC creates technical standards for ICT devices, delineates accreditation procedures for devices and issues electronic customs clearance permits. During this year, the following was achieved:

- **2011**: 5,403 device licenses
- **2011**: 8,429 permit applications for customs clearance
- **2011**: 248 studies of confiscated ICT devices

**Licenses and accreditation of ICT devices**

<table>
<thead>
<tr>
<th>Year</th>
<th>Accreditation Applications</th>
<th>Customs Clearance Permits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>8,757</td>
<td>973</td>
</tr>
<tr>
<td>2012</td>
<td>1,194</td>
<td>2,316</td>
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<tr>
<td>2013</td>
<td>18,346</td>
<td>2,055</td>
</tr>
<tr>
<td>2014</td>
<td>18,500</td>
<td>2,600</td>
</tr>
<tr>
<td>2015</td>
<td>18,439</td>
<td>5,826</td>
</tr>
<tr>
<td>2016</td>
<td>18,453</td>
<td>2,965</td>
</tr>
<tr>
<td>2017</td>
<td>13,832</td>
<td>2,011</td>
</tr>
</tbody>
</table>


6.2.4 Licenses for numbering

The Commission is responsible for preparing, managing, disseminating and periodically updating the National Numbering Plan to keep pace with growth, to provide flexibility to accommodate new technologies and services and comply with the recommendations of the ITU Telecommunication Standardization Sector. The CITC sets the terms for numbers allocation, licensing procedures and financial remuneration. In line with the CITC’s efforts to ensure the availability of numbers that allow the provision of new services, a scope of one billion mobile phone data services from machine to machine as well as the applications of the Internet of things. The first scope of numbers was allocated in 2014.

Last year, the CITC studied and followed up several applications of numbering resources and issued licenses to enable ICT service providers to meet their needs. Last year, 360,000 geographical contact numbers were allocated to service providers with unified license for infrastructure in addition to allocating other numbering resources to ICT service providers. The following Figure shows the details of mobile telecom service numbers and geographic calling numbers allocated by the CITC to ICT service providers. The numbers of telecommunication networks and services are a limited national resource to be maintained and rationalized to support communication services in a systematic manner that coincides with the needs of telecommunication service providers.
6.2.5 Saudi Network Information Center

Saudi domain names (.Sa and .السعودية) registration and administration is the responsibility of the Saudi Network Information Center (SauidNIC), and it operates and accredits a number of important services provided to users. This is done through an e-services gate, which enables users to carry out a number of different tasks and procedures by themselves, in a fast and flexible way. During this year, the following actions were registered:

- Registration of around 5,049 Saudi domain names in the Kingdom, bringing the total number of registered domains to around 51,953.
- The Kingdom is the first country in the Middle East and North Africa implements DNSSEC.
- Organizing an introductory workshop on DNSSEC and its application.
- Providing the DNSSEC services for Saudi domains.
- Publication of an international report describing the best practices of the Saudi NIC in the support and management of Arabic domain names.
- Increasing the spread of servers for Saudi domain names locally, regionally and internationally, to have around 150 devices around the world to serve Saudi domain names.
- Receiving and processing around 58,000 applications for the registration services of Saudi domain names (e.g., Registration, modification, deletion, renewal, transfer).

In addition to responding to about 3500 query tickets from scientists.
3-6  User protection and transparency

6-3-1 Updating the regulations governing the protection of users rights

CITC paid great attention to the protection of ICT users’ rights and sought to promote these rights by taking a number of measures in this respect. It developed a sector involvement with the issues of users and partners affairs, reviewed and updated the regulations for the protection of the ICT users rights, namely limiting the service providers’ processing time for complaints, from 15 days, to a maximum of 5 days from the date of filing the complaint, while also increasing the user’s right to object to the invoices from 30 to 60 days from the date of issue. CITC has amended Article 59 and Article 66 of the Telecommunications Regulations on complaint processing and invoicing. It also required service providers to improve the measures and mechanisms used to resolve complaints swiftly and accurately in a clear and transparent way, by deploying measures related to the processing and time of complaints along with frequently asked questions. The service provider should address the causes of common complaints and prepare regular reports accordingly.

Increase

Reduce

No disconnection

or change of any services provided to the user or demand of payment, due to an amount subject to complaint during its processing by the service provider or CITC.

Filing a Complaint

6-3-2 Issue a document outlining the Terms of ICT service provision and the rights and obligations of users and service providers

- To protect the rights of users, the CITC issued a document entitled “Terms of ICT service provision and the rights and obligations of users and service providers”, which governs the relationship between the user and the service provider. It includes the general terms and conditions upon which the service provider provides its services to users and defines the rights and obligations of each party.
- The issues addressed in the document include the procedures to apply for providing services, requirements for transparency and clarity, documentation, user and service provider obligations, confidentiality of user information and communications, invoicing, credit limit, cancellation of services and user complaints.

Examples of the document contents

- Terms of ICT service provision document
- Shows the rights and obligations of each party.
- Includes the general terms and conditions upon which the service provider provides its services to users.
- Invoicing
- Roaming for mobile
- Confidentiality of user information and communications
- Credit limit
- Suspension and cancellation of services
- Transfer and concession of service

Annual Report 2017
6.3.3 Availability of applications via internet
The ICT sector witnessed a rapid and accelerated development of online services and applications via internet. In order to keep abreast of these developments and to provide services to users in the Kingdom, in 2017 the CITC made available applications that provide voice and video communications features via Internet.

This move is in line with the latest trends in the ICT sector; it contributes to providing many opportunities for individuals and businesses in the Kingdom to communicate and develop their business using these services.

6.3.4 Deploy rating indicators for service providers
The CITC developed and deployed an indicator that rates service providers according to number of complaints that users escalate to the Commission.

The indicator, which is published quarterly, presents the rating of service providers according to these complaints. The aim of the indicator is to provide user-wide information on the performance of telecommunication service providers, in resolving their customers’ complaints clearly and transparently, in order to enhance competition among ICT service providers.

The indicator is calculated based on the number of complaints received by the CITC, as a percentage of the number of service provider subscriptions for each type on the indicator.

What is the indicator?
It is an indicator to rate telecommunication service providers in terms of number of subscribers’ complaints received by the CITC.

What is the Objective?
Raise attention to subscribers’ complaints. Provide information on the performance of telecommunication service providers in resolving customer complaints, so that subscribers can choose the appropriate service provider. Enhance transparency and competition among telecommunication service providers.
MEQYAS is one of the CITC initiatives aimed at establishing a platform for measuring and testing the quality of Internet experience in order to provide Internet users in Saudi Arabia with reliable and accurate information about Internet services.

MEQYAS aims to provide information on the quality of the user’s Internet experience. It provides an average of quality measurements for Internet provided to users on a daily, weekly, monthly or annual basis; publish periodic reports on Internet experience in the Kingdom to increase transparency and competition among service providers.

MEQYAS can be accessed through the Internet speed measurement website (www.meqyas.sa) or the application of smart devices to measure mobile Internet service or through dedicated measurement devices for fixed Internet services. It should be noted that measurements of the Internet experience are affected by several factors. These include the efficiency of the tower of the service provider network and the distance between them, the settings of the modem and the router, internal recommendations, as well as the number of users and number of devices per subscription.

The CITC prepared and updated the rules and procedures for documentation and monitoring telephone numbers used to provide calling card services. CITC also monitors its numbers documentation process periodically, in order to ensure the effectiveness of these procedures; to develop them and monitor the compliance of operators as required. This is part of CITC’s efforts to address the phenomenon of anonymous calling cards; to protect all ICT subscribers, to safeguard their rights and avoid the exploitation of their personal data. This measure should limit any negative effects or abuses that may result from the use of telecommunication services in a way that breaches the Telecommunications Regulations and Bylaws.

Through the development of procedures to document calling card numbers, the CITC seeks to simplify participation. It provides new channels to help subscribers to easily document numbers electronically and it issued the documented Arqami service that allows the subscriber to inquire about the numbers documented in early 2018.
The CITC organized SPAM regulations to prevent sending any electronic messages without:

1. Obtaining the recipient’s prior consent to these messages
2. The existence of commercial or practical relations between the sender and the recipient

6.3.7 SPAM Control Procedures Review

SPAM means any message sent without the prior consent of the recipient via any electronic means of communication. Based on SPAM regulations approved by the Commission’s decision No. 259 of 1431H, no message may be sent without the prior consent of the recipient and unless commercial or practical relations exist between the sender and the recipient. The main obligations of mobile service providers to protect users from SPAM include:

1. Ensure the necessary technical, legal or other procedures are in place to prevent the use of their networks to send SPAM messages, monitor their networks to limit these messages and take the necessary precautions to eliminate them.
2. Provide a free, user-friendly service for subscribers to enable them to refuse SMS or MMS from some or all senders.

The CITC worked with mobile service providers and short message service providers to review the procedures they use in order to control spam and update the necessary regulations. The aim is to enable subscribers to better and automatically control the lists received and the type of messages received without the intervention of any other party. Any person who has been exposed to SPAM may file a complaint via the electronic complaints system on the CITC website in accordance with the Telecommunications Regulations and By-laws.

The CITC has developed mechanisms and standards to effectively resolve complaints and increase the satisfaction of users. A total of 95,671 complaints were received in 2017, all of which were resolved by the CITC in accordance with the Telecommunications Regulations and Bylaws. The figure below shows the number of complaints submitted to the CITC by service type.

6.3.8 Resolving user complaints

To increase user satisfaction, the CITC found a number of solutions to motivate service providers to resolve customers complaints before submitting them to the CITC. Solutions include preparing a rating indicator for service providers in terms of complaints received by the CITC in addition to imposing fines on service providers. The CITC is developing a system for complaints, building partnerships with service providers to resolve the causes of complaints, and activating a number of other solutions to reduce the number of complaints and increase user satisfaction. It is hoped that the results of these procedures will become evident in 2018. In order to increase transparency and stimulate competition among service providers, the CITC is deploying the corporate rating indicator as well as numerous indicators for complaints and user satisfaction via the CITC portal on the Web.
6.3.9 Number portability

CITC ensures continuity of Mobile Number Portability Services by monitoring the central system of the Number Portability Clearinghouse (NPCL), verifying proper implementation of MNP procedures by the operators, resolving user complaints, and looking for means to improve the service. This has resulted in more than 800 thousand portability transfers between service providers in 2017.

More than 800,000 numbers have been transferred between service providers this year.

24% Year-on-year increases of

6.3.10 Internet filtering

The CITC is responsible for the technical aspects of the national internet filtering service and for limiting access to harmful Internet content, whether it is immoral or in violation of the Kingdom’s regulations, depending on reports from stakeholders or bodies involved in internet filtering in the Kingdom. During 2017, the CITC:

- Dealt with more than 3,000 daily filtering requests in the Kingdom.
- Actively supported efforts to protect children by blocking child-abuse materials and regularly reporting to security authorities and concerned international organizations. More than 100 child-abuse links were resolved.
- In the interest of protecting children and adolescents from dangers of the internet and emphasizing the role of family in minimizing exposure to harmful internet content, the CITC prepared the final draft of parental control tools for internet users in the Kingdom which was deployed for feedback and for receiving the proposals of service providers. The draft is currently under final review for approval.
- Further development of the technical filtering system by raising its level of performance in line with technical developments in Internet and in the needs of users.
- Further development of effective partnerships with many social media sites and content owners to reduce access to offensive content.
Use the sharing feature available in smart devices

Select the required filtering service (request for blocking, request for unblocking)

Fill in the form for required filtering service

Process the request by the competent team

To download the application (filter.sa) from your device store

As use of smart devices has been spreading in the Kingdom, the CITC developed an application (filter.sa) to enable users to share blocking and unblocking links on the sites. The number of downloads of the filtering application on Android system devices was 1931 downloads in total, including 1666 downloads from IOS system devices.

Based on the decision of the Council of Ministers No. 51 dated 6/2/1435H, the General Commission for Audiovisual Media has been entrusted with the task of organizing moral and information content (entirely) via all media (traditional and electronic) and establishing the National Committee for Technology responsible for monitoring any offensive content. Its membership includes the Ministry of Communications and Information Technology, the CITC and a number of stakeholders.

The Commission, through the National Center for Information Security (CERT-SA), has published the Guide for Information Security Policies and Procedure services.

In virtue of the Royal Decree No. 6801 dated 11/02/1439H which approved the organization of the National Cybersecurity Authority (NCA), The Computer Emergency Response Team (CERT-SA) has been transferred to NCA.

6-3-11 The National Center for Information Security

Through the National Center for Information Security, the CITC continued its efforts to enhance e-security and provide a healthy environment for electronic transactions as a way to increase confidence in electronic transactions, invest in the sector, and attract investments to the Kingdom. The main achievements of the Center during 2017 include the following:

11060
11060 special messages were sent regarding addresses infected with malware and security gaps to parties registered at the Center.

70 & 50
50 public security reports were published along with 70 security warnings on the

192
192 special warnings were sent to parties that were either targeted or subjected to leakage of information.

32
32 warning reports have been sent to more than 730 liaison officers representing the stakeholders registered at the Center.

33 phishing incidents have been received and processed.

760
760 communications and queries were addressed through the Center communication channels via telephone, e-mail, or website.

50
50 government bodies were registered in the Guide for Information Security Policies and Procedure services.
6-3-12 Addressing violations of the telecommunications system

Clause 38/5 of the Telecommunications Act stipulates that activities that violate the law be considered by a committee nominated by a Board resolution.

Total 4651

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>non implementation of a resolution</td>
<td>1424</td>
</tr>
<tr>
<td>cable cuts</td>
<td>1291</td>
</tr>
<tr>
<td>cards</td>
<td>1191</td>
</tr>
<tr>
<td>Other violations</td>
<td>288</td>
</tr>
<tr>
<td>Unauthorized devices</td>
<td>242</td>
</tr>
<tr>
<td>information provided</td>
<td>163</td>
</tr>
</tbody>
</table>

6-3-13 Measurement of electromagnetic radiation

The objective of this project is to monitor conformance of service providers with national regulations approved by CITC, with regard to human exposure to electromagnetic radiation. These national regulations are based on international standards recommended by the World Health Organization and the International Telecommunication Union and are enacted in order to limit human exposure to electromagnetic radiation emitted from wireless base stations and to provide protection against any negative effects on health resulting from antennas fixed on mobile phone towers.

Many sites have been measured and tested for conformance with radiation levels emitted from wireless base stations through a cooperation programme with leading academic and research institutions in the Kingdom.

6.3.14 Projects to conduct field measurements of the quality of mobile telecommunication services

As part of its efforts to regulate the ICT market, protect the interests of users and service providers, and raise the quality of telecommunications services in the Kingdom, specifically in the Hajj and Umrah seasons each year, the CITC conducts field measurements in Makkah and Madinah to verify the compliance of mobile telecommunications operating in the Kingdom. The technical and regulatory standards established by the CITC for quality of service are accordance with international best practices and experiences consistent with international standards.

The Commission also conducts similar measurements in a number of different locations in the Kingdom, which are selected according to criteria determined by the Commission. These field measurements are carried out in cooperation with a number of academic and research bodies. These measurements are based on the use of the latest methods and programs for the collection and analysis of data and the release of detailed reports supported by geographic maps on the performance of mobile networks for the second, third and fourth generation using several indicators, including signal strength; Internet indicators; indicators and quality of sound.
6.3.15 Require service providers to notify the user of calls outside the network

To enhance clarity and transparency, CITC obliged mobile service providers to notify users when they make calls outside their network, so they can distinguish between calls within or outside the network, and to be aware of possibly applicable additional tariffs (financial fees) on voice calls; this service is optional if the user wishes to activate it.

6.3.16 Regulate the fair use policy

The CITC sought to modernize and develop a fair use policy to further protect users, enhance competition among service providers, and achieve clarity and transparency. This policy also contributes to protecting national networks and investments from abuse by a small number of users. Telecom companies which provide mobile data services in the Kingdom have the option to apply this policy, but the CITC requires the service provider to comply with a minimum data capacity and speed when offering packages subject to the fair use policy. The mechanism for applying this policy is subject to the following:

The Required Minimum for the Application of the Fair Use Policy

- The speed shall not be less than 1 Mbps in Internet packages using data SIM cards.
- The speed shall not be less than 512 kbps in Internet packages using Audio SIM cards.
- The monthly limit for the fair use policy * in the Kingdom is 200% higher for voice SIM cards and 400% for data SIM cards.
- 333 MB / day in Canada
- 1 GB / day in the United States of America

* The policy is available as an option for the service provider who is required to be transparent and clear with the users in regards to the application of this policy.
6-4 Efforts deployed by the CICT to serve the guests of God during the Hajj and Umrah seasons in 1438H

The CICT is cooperating with service providers to establish the world’s largest ICT infrastructure in Makkah, Medina and the Holy Places. This is to help pilgrims easily perform their religious obligation, by providing more than 13 thousand mobile phone stations with 2G, 3G and 4G technologies, improving on the Hajj season of 1437H, by mobilizing more than 3700 ICT professionals working around the clock and achieving high levels of performance for mobile networks during the pilgrimage season. The number of calls exceeded 700 million calls with a success rate exceeding 99% and the volume of data traffic exceeding 23,000 terabytes. The capacity of mobile service providers networks in Makkah and Medina reached 75 million subscriptions. The United Nations specialized agency in ICT (ITU) praised the great efforts made in 2017 to provide ICT services to the guests of God which enabled the pilgrims to easily fulfill their religious obligations.

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**3G Networks**

- **Network capacity increase at peak hour compared to 1437H**
  - 4.16% with an increase of around 4.84% from the previous year
  - 0.26% with an increase of around 0.84% from the previous year
  - 6.74% with an increase of around 3.77% from the previous year
  - 12.9% with an increase of around 1.8% from the previous year
  - 6% with an increase of around 6.3% from the previous year

- **Number of 3G towers**
  - Masjid al-Haram: 303
  - Masjid al-Nabawi: 241
  - Al Maslazi: 1019
  - Makkah: 1400
  - Medina: 1177

---

**Size of the mobile telecommunication network during the Hajj season 1438H**

- **Location**
  - Masjid al-Haram
  - Masjid al-Nabawi
  - Al Maslazi: Mugaddassah
  - Makkah
  - Medina

- **Capacity of mobile telecommunication service providers networks**
  - More than 13,000 mobile phone stations for the 2G, 3G and 4G.
  - More than 700 million local and international successful calls.
  - More than 75 million subscribers.
  - More than 99% Average call success rate.
  - More than 23,000 terabytes volume of data consumption.
  - More than 7 million subscribers.

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**Most commonly used applications**

- YouTube
- Snapchat

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**Network service providers networks**

- More than 13 thousand mobile phone stations with 2G, 3G and 4G technologies.

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**United Nations specialized agency in ICT**

- Praised the great efforts made in 2017 to provide ICT services to the guests of God which enabled the pilgrims to easily fulfill their religious obligations.
Size of the mobile telecommunication network during the Hajj season 1438H

**4G Networks**

<table>
<thead>
<tr>
<th>Network capacity increase at peak hour compared to 1437H</th>
<th>Number of 3G towers</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.29% with an increase of around 19.77% from the previous year</td>
<td>329</td>
<td>Masjid al-Haram</td>
</tr>
<tr>
<td>25.29% with an increase of around 21.90% from the previous year</td>
<td>256</td>
<td>Masjid al-Nabawi</td>
</tr>
<tr>
<td>19.8% with an increase of around 41.62% from the previous year</td>
<td>769</td>
<td>Al Mashaaer AL Mugaddassah (including Mona, Mezdelfa)</td>
</tr>
<tr>
<td>9.14% with an increase of around 22.8% from the previous year</td>
<td>2068</td>
<td>Makkah</td>
</tr>
<tr>
<td>20.66% with an increase of around 18.27% from the previous year</td>
<td>1650</td>
<td>Medina</td>
</tr>
</tbody>
</table>

**Size of the mobile telecommunication network during the Hajj season 1438H**

- **Around 3700** specialized staff working around the clock in the field to serve the guests of God.
- **More than 1000** specialized staff working around the clock in the field to serve the guests of God.
- **708 million** vehicle following up ICT related works.
- **80%** subscribers of local and foreign chips in the previous.
- **More than 1500** increase in the average number of new mobile subscriptions at the beginning of the Hajj season.
- **80%** mobile phone stations for 2G, 3G and 4G in Mecher’ Mona.
- **Not more than 1%** rise in the number of 4G towers in Mecher’ Mona compared to previous year.
- **1%** the share of interrupted voice calls in Mecher’ Mona.

Not more than 1%
International Achievements and Participation
International Achievements and Participation

The CITC works on developing and protecting the interests of the Kingdom at the international arena in terms of ICT. With the objective of increasing cooperation and exchanging information and experiences, the CITC communicates with ICT organizing bodies in the Arab region and elsewhere. The CITC participates in a number of regional and international ICT-related organizations. Among the most prominent organizations are the ITU, the specialized committees of the United Nations Economic and Social Council, the League of Arab States, the Cooperation Council for the Arab States of the Gulf and the Arab Network of Regulatory Commissions of Telecommunications and Information Technology. The United Nations Broadband Commission for Sustainable Development. Moreover, the Kingdom holds several posts, either as president or vice-president of several meetings and conferences of regional and international organizations. The Kingdom also provides several contributions to these organizations and tries hard to reach a consensus with all partners, in an effort to achieve shared objectives.

The CITC is part of a number of regional and international organizations related to the ICT sector

The CITC is part of a number of regional and international organizations related to the ICT sector. The Kingdom continues to play a leading role in the United Nations Commission on Science and Technology for Development. The CITC played a major role in the twentieth session of the Commission on Science and Technology for Development held at the United Nations Headquarters in Geneva where it led the negotiations on the draft resolution on reviewing the outcomes of the World Summit on the Information Society. The CITC also prepared a range of inputs to speed up the implementation of the outcomes. The CITC is the focal point at the UN level responsible for following up the WSIS outcomes. It issues two resolutions annually before sending them to the General Assembly through the Economic and Social Council: the first for assessing progress in the implementation of WSIS outcomes and follow-up; the second on science, technology and innovation for development. The CITC participates in the Commission to support the Kingdom’s orientations and protect its interests.

The Kingdom is an active member of the United Nations Broadband Commission for Sustainable Development, which is composed of a number of eminent decision makers in the area of ICT research.

Review the Kingdom's experiences in broadband deployment at the United Nations

The Kingdom of Saudi Arabia has reviewed the efforts of the Government of the Custodian of the Two Holy Mosques at the United Nations Broadband Commission for Sustainable Development. The aim was to promote the efficiency of the national economy and achieve developmental leapfrogging to meet ambitions and service the citizens through the deployment of fiber optic networks throughout the kingdom. It occurred during the participation of Saudi Arabia in the meeting of the Committee held in New York City on the margin of the 72nd session of the General Assembly of the United Nations. The Kingdom is an active member of the United Nations Broadband Commission for Sustainable Development which includes a number of powerful decision makers in the area of ICT research.
The Kingdom participated in the WSIS Forum which is organized by ITU in Geneva on an annual basis. The Kingdom has been constantly winning WSIS awards; government bodies received certificates of recognition for their efforts and projects in implementing the WSIS outcomes. The total number of certificates received by the Kingdom over the past years was seven awards and six degrees of excellence. The Forum was attended by more than 85 high-level government ministers and representatives, and more than 2000 participants from government, private sector and civil society to discuss developments and exchange experiences in the implementation of the WSIS outcomes.

The Kingdom pursued its development efforts related to ICT. It was elected to chair the Fourth and most important Committee of the Conference. The Kingdom also led some of the working groups seeking consensus on the Conference topics. The World Telecommunication Development Conference is one of the major conferences of the International Telecommunication Union (ITU) and is held every four years. More than 1,300 government representatives from 134 countries participated in its work. More than 50 resolutions on ICT were issued. The conference coincides with the 25th Anniversary of the establishment of the Development Sector of the Union of which the Kingdom was a co-sponsor, in recognition of its interest in the developmental aspects and its leadership role in ICT.

Pursue excellence with the implementation of WSIS outcomes and awards winning

The total number of certificates received by the Kingdom in the past years:

- **7 awards**
- **6 certificates of excellence**

Pursue development efforts at the international level during the World Telecommunication Development Conference (WTDC)

The Kingdom pursued its development efforts related to ICT. It was elected to chair the Fourth and most important Committee of the Conference. The Kingdom also led some of the working groups seeking consensus on the Conference topics. The World Telecommunication Development Conference is one of the major conferences of the International Telecommunication Union (ITU) and is held every four years. More than 1,300 government representatives from 134 countries participated in its work. More than 50 resolutions on ICT were issued. The conference coincides with the 25th Anniversary of the establishment of the Development Sector of the Union of which the Kingdom was a co-sponsor, in recognition of its interest in the developmental aspects and its leadership role in ICT.

The Kingdom plays a leading role in the work of the ITU Council

The Kingdom participated in the activities of the ITU Council in 2017 and confirmed for the 53rd year its commitment to support the ITU to ensure that it performs the tasks serving the ICT sector at the international level. The Council also adopted the Kingdom’s contribution to the meeting, which aimed at supporting the long-term budget stability of ITU and the continuous development of standards for promising technologies, in addition to strengthening the means by which the Union could cooperate with other organizations, as well as strengthening the work of ITU in international Internet-related public policy issues. The ITU Council is the highest authority after the ITU Plenipotentiary Conference. Its members are elected at the Plenipotentiary Conference every four years representing 25% of the total number of Member States.
The Kingdom participates in the opening of the ITU Telecom World 2017

The Kingdom opened the ITU Telecom World 2017 in Busan, South Korea with a presentation stressing the great impact of ICT projects emanating from the Kingdom’s vision to create an attractive system for large hosting centers, develop regulatory frameworks, and industry leaders around the world. It offers an opportunity to exchange information and experiences among high-level participants.

The CITC discusses mechanisms associated with the Fourth Industrial Revolution

Being keen on keeping abreast of developments in the ICT sector, the CITC organized in cooperation with the International Telecommunication Union a Regional Forum for standardization entitled “Internet of things and artificial intelligence”, with the participation of international experts, manufacturers, standardization organizations, operators and regulators of the ICT sector. The Forum highlighted the latest developments on Internet, artificial intelligence, and big data. The program included three panel discussions and a presentation by the Director of the Office of the standardization sector at ITU on the key role of ICT in enabling the Industry 4.0.

The Forum highlighted the latest developments related to Internet, AI and big data.
Leading the Arab Team on the Internet of Things and Smart Cities

Saudi Arabia has been nominated to lead the Arab Group on the Internet of Things and Smart Cities which discusses topics related to the standardization of the Internet of Things and how they can be used to serve Arab countries. The Kingdom’s candidacy for the presidency of the Arab Team is based on its international leading role in these fields and its belief in its capacity of supporting Arab States. The second panel was hosted by the Kingdom and a number of standards related to the Internet of Things were discussed during the meeting, including the integration of the Blockchain technique in the Internet of Things (IoT) environment.

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The Kingdom as Vice-Chair of the WSIS Team and Sustainable Development Goals

The Member States of the International Telecommunication Union (ITU) have chosen Saudi Arabia to assume the position of Vice-Chair of the Council’s Working Group on Follow-up to the Implementation of the WSIS Outcomes and Sustainable Development Goals, as a consequence of the Kingdom’s leading role in this area since the preparatory process for the WSIS and the High-level Meeting of the United Nations General Assembly in 2015. The Working Group plays important roles aiming at follow-up and strengthening the ITU’s role at the UN level in implementing the outcomes of the World Summit and following up on its future developments.

Pursue the chairing of the ITU Council Team on International Internet-related Policies

The Kingdom of Saudi Arabia, represented by the CITC, chaired the 10th meeting of the ITU Council Working Group on International Internet-related Policies at the ITU headquarters in Geneva, which was inaugurated by ITU’s General Secretary in the presence of its Vice-President and Directors of the ITU’s three sectors. The meeting discussed the topics related to applications through the Internet and issues related to enhancing security and trust.

ITU Member States have chosen Saudi Arabia to serve as Vice-Chair of the Council Working Group on Follow-up to the Implementation of the WSIS Outcomes and Sustainable Development Goals.
The Kingdom is Vice-Chair of the Expert Group on Telecommunication Indicators

The Kingdom participated in the 15th World Telecommunication/ICT indicators Symposium (WTIS), which was held in Hammamet, Tunisia. The Kingdom was nominated as a Vice-Chair of the Expert Group on Telecommunication/ICT Indicators (EGTI) in charge of developing and identifying the ICT sector indicators in addition to finding the best international benchmarking measures of the progress achieved by UN Member States. It is worth noting that the Kingdom owes its success to its active contribution to the IDI Expert Group on measuring the ICT Development.

Chairing the Arab Telecommunication Standardization Group for the coming four years

The Kingdom is chairing the Arab Group for Standardization of the League of Arab States in the coming four years. The team is responsible for enhancing cooperation and promoting exchange of experience among Arab countries in the field of standardization and coordination of Arab States positions on standardization in international conferences and meetings. It owes this leadership to its position and active participation in international organizations, in addition to its impact on ICT regional and international level decisions.

Chairing the Gulf Group in charge of the preparation of the Radiocommunication Conference 2019

The Kingdom chairs the Gulf Group of the GCC Secretariat in charge of preparing for the Radiocommunication Conference 2019. The Group is responsible for examining the items and issues on the agenda of the Conference, consolidating the positions of GCC countries and submitting working papers to the permanent Arab Working Group on frequency spectrum within the League of Arab States, which presents the positions of the Arab regional group during the conference. The World Radiocommunication Conference makes decisions on new allocations of multiple radio services in various frequency bands. The Conference that will be held in 2019 is particularly important as it will distribute a number of frequency bands for IMT-2020 (or the so-called 5G).
Media activities

Events organized / attended by the CITC during 2017

- Participate in the meeting of the United Nations Commission for Broadband.
- Launch the ICT Forum entitled “E-commerce in Saudi Arabia”.
- Participate in the World Telecommunication Development Conference.
- Organize an induction workshop on the safe extension of DNS.
- Hold a press conference to highlight unified licenses.
- Organize the Huawei competition for ICT skills.
- Organize the CICTC Forum 2017, entitled “Stimulating investment and sector trends”.
- Host the meeting of the Arab working group for the preparation of the World Telecommunication Conference.
- Participate in the organizational Telecom Forum 2017.
- Launch the ICT Forum entitled “Secure Internet” in partnership with the Ministry of Education.
- Launch an awareness-raising campaign entitled “Secure Internet” in partnership with the Ministry of Education.
- Launch a panel discussion entitled “paving the way for safe and reliable Internet”.
- Launch the CITC Forum 2017, entitled “Stimulating investment and sector trends”.
- Participate in the International Engineering Conference and Exhibition.

Pursuing the awareness-raising campaign on anti-cybercrime law and related sanctions

The CITC pursued its awareness campaign on anti-cybercrime law and related sanctions in cooperation with the Ministry of Interior and the Ministry of Education. The campaign aims to raise the awareness of ICT service users on their rights and duties, how to file complaints, sanctions resulting from IT crimes, in addition to clarifying the types of ICT crimes, and how to address them. The campaign highlights the role of security officials in prosecuting the perpetrators without complacency.

Tapping

Tap, pick up, or intercept without a proper legal justification data transmitted via telecom networks or via a computer.

Sanction

Prison for a period not exceeding one year or A fine not exceeding five hundred thousand Riyals or One of these two sanctions in virtue of the Cyber Crime Act

Reporting tools for cybercrime

- Report to the nearest police station
- Through the Kolidna App on smart devices provided by the Ministry of Interior
- Call 989
- Ministry of Interior Portal (Absher)
- Send a reporting message to the following email address info.cybercrime@moisp.gov.sa
- Media activities
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- Participate in the meeting of the United Nations Commission for Broadband.
- Launch the ICT Forum entitled “E-commerce in Saudi Arabia”.
- Participate in the World Telecommunication Development Conference.
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- Launch a panel discussion entitled “paving the way for safe and reliable Internet”.
- Launch the CITC Forum 2017, entitled “Stimulating investment and sector trends”.
- Participate in the International Engineering Conference and Exhibition.
Impersonation

The crime of seizing for oneself or for the account of another person a movable property or a deed or signing a deed unlawfully or assuming a false identity or role.

Sanction

- Prison for a period not exceeding three years
- A fine not exceeding two million Riyals
- One of these two sanctions

Reporting tools for cybercrime

- Report to the nearest police station
- Through the Kollona Amn on smart devices provided by the Ministry of Interior
- Ministry of Interior Portal (Absher)
- Call 989
- Send a reporting message to the following email address

Threat and extortion

Illegal entry, with the aim of threatening or blackmailing a person, in order to have them do (or abstain from doing) a given act, even if doing so or not doing that act is legal.

Sanction

- Prison for a period not exceeding one year
- A fine not exceeding five hundred thousand Riyals
- One of the two sanctions in virtue of the Cyber Crime Act

Reporting tools for cybercrime

- Report to the nearest police station
- Through the Kollona Amn on smart devices provided by the Ministry of Interior
- Ministry of Interior Portal (Absher)
- Call 989
- Send a reporting message to the following email address
Drug trafficking

Establish or publish a website for drugs or psychotropic substances promotion, use or easy handling.

Create and disseminate pornography materials

Create, disseminate or promote material and data related to pornography networks or immoral activities like gambling.
Figures on some media activities

- Number of media materials published in traditional and electronic media: 1618
- Number of media materials on awareness raising that were published on the CITC social media channels: 1359
- Number of interactive responses with users on the CITC account (CITC_withU): 18708
- Number of electronic publications: 4
- The total number of materials published: 21689
- Publications and daily media presence in various media: 59
Studies and reports
9.1 The E-Commerce Report

is based on the CITC role in promoting awareness of ICT issues, namely those related to the needs of individuals and business sector as well as the growth of various economic sectors in the Kingdom of Saudi Arabia. CITC issued the annual report on the status of ICT in the Kingdom which examines the status of e-commerce in the Kingdom, the motivations and obstacles affecting the adoption of e-commerce by individuals and business sector. The report also reviews the efforts of government bodies and the private sector in supporting e-commerce. The report highlights include:

8 million buyers
Via electronic sites and applications in the Kingdom of Saudi Arabia.

More than half the consumers
Covered by the study have already purchased via electronic applications and sites

29.7 billion riyals
The size of the e-commerce market in the Kingdom

3.942 Riyals
Average annual spending of online shoppers

93% access
sites and applications for e-commerce through smart phones

Higher rate for females than males
in using e-commerce

88% users
of e-commerce are Saudis

59% access
sites and applications for e-commerce through tablets

More than half the consumers

9.2 ICT market study in the Kingdom

The CITC annually conducts studies on the ICT market in the Kingdom that include survey studies of available services, and users’ behavior and customs in using these services and their level of satisfaction. These studies also include quantitative and qualitative analyses of the development and support of these services, the extent of use and deployment of these technologies and the level of satisfaction with the quality and prices of service providers. In conducting these surveys, the CITC aims to understand current market trends and future expectations, considering the results of previous conducted studies, in order to set the chronological development of ICT services and their uses.
The objective of the report are to identify ICT markets in the Kingdom, identify dominant service providers, and to develop appropriate regulatory requirements to address the dominancy in the identified markets. Based on the findings of the report, ICT markets were divided into 15 markets within two categories of service sale: Retail markets (5 markets) and Wholesale markets (10 markets).

Four markets have been classified as competitive markets due to competition in related infrastructure, while the remaining 11 markets have been classified as being under control; in most cases it is due to high concentration in the market, with one service provider having a high share of the market and control over the main network infrastructure. Some regulations required from dominant service providers to address the risk of non-competitive practices by dominant service providers that might harm their competitors.

In 2017, CITC issued a report on ICT markets definition, designation and dominance in the Kingdom, which is part of the periodic reviews conducted by the CITC to assess the level of competition in the ICT sector. The objective of the report are to identify ICT markets in the Kingdom, identify dominant service providers, and to develop appropriate regulatory requirements to address the dominancy in the identified markets.

Overall satisfaction with mobile telecom services:

- 2014: 3.50
- 2015: 3.82
- 2016: 3.66
- 2017: 3.91

Overall satisfaction with fixed telephony services:

- 2015: 3.84
- 2016: 3.93
- 2017: 3.79
Indicators of the ICT sector in the Kingdom
Indicators of the ICT sector in the Kingdom

10.1 Mobile telecommunication services

The total number of mobile telecom services subscriptions had reached, by the end of 2017, about 40 million. The overwhelming majority of these are pre-paid subscriptions, constituting a percentage that exceeds 74.8%. The percentage of mobile telecom service subscriptions compared with the population decreased to about 126.7%. Despite that, the number of postpaid subscriptions has increased by 25.2% from the previous year. This is in line with the trend in ICT service markets. As a result of CITC issuance of mobile virtual network operators licenses, service levels have improved and become more diverse. The telecom market has expanded, giving subscribers more options.

10.2 Fixed Telephony Services

The total number of fixed telephone lines in operation had reached, by the end of 2017, about 3.64 million. 1.9 million (52%) of which are for residential landlines. Thus, the household penetration rate is about 31.6%. The total number of subscriptions had continued to decrease due to the competition of the mobile telecom services which make it a substitution of fixed services for some of the consumers.
10.3 Broadband Services

10.3.1 Fixed Broadband Services

The total number of subscriptions for fixed broadband services, which includes Digital Subscriber Lines (DSL), fixed wireless connections, fiber optics and other fixed lines, had reached around 2.50 million subscription by the end of 2017, representing a household penetration of around 33.6%.

10.3.2 Mobile Broadband Services

The total number of subscriptions for mobile broadband services, in its broad definition, had decreased to about 29.7 million subscribers by the end of 2017 as a result of the linking of mobile phone numbers and data packages to personal fingerprints. These subscriptions include data service and integrated voice telecom packages (voice and internet) SIM cards. Accordingly, the population penetration rate of mobile broadband services is around 93.5%.
Penetration rate of internet services has soared over the past years from 64% in 2014 to around 82% by end of 2017. The total number of current internet users in the Kingdom is estimated to be over 26 million users. Due to increased use of social media channels, content channels (like YouTube and Snapchat) and internet-based games, demand for internet and broadband services has risen recently. Consequently, the amount of data use has risen significantly in recent years.

The total capacities of the International Internet Connectivity had increased from 3,185 gigabit/sec in 2016 to 5,260 gigabit/sec at the end of 2017 with a growth of 65%. The reason for this growth is the expected increase in demand for internet use. In addition, companies have added parallel capacities to the existing capacities as alternative options in case of internet cable cuts.
Revenues of Telecom companies by the end of 2017

Telecom companies achieved about 71 billion Saudi riyals in total direct revenue from operations in Saudi Arabia by the end of 2017, 2.25% less than 2016 revenue. This is due to decrease in the number of subscriptions and in services prices. Despite the economic depression due to oil price decrease, service providers revenues preserved the same rates over the last three years.

The CITC has conducted an analytical study to estimate the volume of spending on ICT services in the Kingdom. The study includes ICT services, hardware and software. The volume of spending on ICT in the Kingdom is about 136 billion riyals in 2017, with a growth rate of about 4.6% over 2016. The spending on ICT services is almost 65% of total spending.

The volume of spending on ICT in the Kingdom in 2017

Total spending on ICT in the Kingdom in 2017

10-6 Revenues of ICT services

10-7 Spending in ICT services
Overview of CITC plans for 2018
Overview of CITC plans for 2018

In 2018, the CITC is planning to continue its efforts to develop the ICT sector and protect users. A number of activities and projects are planned as follows:

11.1 Promote the deployment of infrastructure and develop its regulations

The CITC is working to promote the deployment of infrastructure, especially with regard to broadband deployment. In this context, the CITC provided support for the implementation of broadband deployment projects currently under way by the Ministry of Communications and Information Technology. It is also working intensively to provide more frequency spectrum by the end of next year. The CITC is also aiming to finalize the organization of participation in the infrastructure, to achieve a significant increase in the speed of the Internet through mobile telecommunications by the end of next year. The CITC is intensifying its efforts to enable digital transformation and to adopt modern technologies for use and investment by stimulating participation in infrastructure and providing the necessary regulatory and technical requirements. One of the most significant plans is the initiative to enable 5G technologies and the Internet of Things (IoT).

11.2 Promote the use of modern technologies

The CITC is intensifying its efforts to enable digital transformation and to adopt modern technologies for use and investment by stimulating participation in infrastructure and providing the necessary regulatory and technical requirements. One of the most significant plans is the initiative to enable 5G technologies and the Internet of Things (IoT).

11.3 Develop ICT regulations and stimulate investment

The CITC is working to improve the regulatory environment to attract investment and stimulate the deployment of services in order to raise the rate of capital investment in the sector through an integrated system of new regulations. All these efforts are expected to have a significant impact on service diversification and revenue growth by the end of next year. The regulation of cloud computing among others should increase investment rates in infrastructure and localization of cloud services.

11.4 Promote competition and market regulation

The CITC attaches great importance to the flexibility of licensing procedures to facilitate the work of those concerned. It also aims at deploying regulations to facilitate the work of operators and licensees. It is also working hard to provide affordable services to enhance competition and market growth. The CITC’s activities to prevent anti-competitive practices play a major role.
The CITC also aims to decrease the number of complaints submitted to the Telecom Violations Committee, which means that a greater proportion of complaints will be resolved satisfactorily without passing by the Committee. The CITC is planning to develop a complaints handling system through the establishment of a call center aimed at increasing the efficiency of addressing complaints. It also aims to build more partnerships with the public sector to serve user interests. The CITC will also promote and protect the rights of users with special needs, by securing services that meet their needs.

In the field of information security, the CITC will increase the reliability and security of networks during the coming year and will examine and prepare the regulatory framework for the digital security of ICT service providers.

The CITC is working intensively to promote the Kingdom’s leading representation in international activities and to activate international partnerships with regulators. The CITC will also highlight the international efforts and achievements of the Kingdom in relation to the sector, hold leadership positions internationally and regionally, and organize events outside the Kingdom to highlight the sector’s achievements.

On the level of institutional support and provision of services to its members, the CITC will seek to achieve excellence in the management of the Commission’s projects and procedures and work to stimulate productivity, raise employee satisfaction, and create an ideal working environment through several innovative initiatives.
Appendixes.
Approval of the regulatory framework for Cloud Computing.

Approval of the final account of the CITC and the Universal Service Fund.

Approval of the organization of the improvement of user’s experience.

Approval of the amendment of articles 7, 66 and 59 of the executive regulations of the ICT law.

Approval of the CITC budget.

Approval of the amendment of articles 7, 66 and 59 of the executive regulations of the ICT law.

Approval of the CITC budget.

Approval of the estimated budget of revenues for 2018.

Approval of the organization of the improvement of user’s experience.

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Approval of the amendment of articles 7, 66 and 59 of the executive regulations of the ICT law.

Approval of the CITC budget.

Approval of the estimated budget of revenues for 2018.

Appendixes

Appendix A: Resolutions of the Board of Directors

The Board has held a number of meetings this year, and has adopted a number of resolutions, namely:

Approval of the final account of the CITC and the Universal Service Fund.

Approval of the organization of the improvement of user’s experience.

Approval of the amendment of articles 7, 66 and 59 of the executive regulations of the ICT law.

Approval of the CITC budget.

Appendix B: Issued licenses

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<td>VSAT System Communications Service</td>
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<td>14</td>
<td>18</td>
<td>19</td>
<td>19</td>
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<tr>
<td>Provision of Global Mobile Personal Communications Services (GMPCS)</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Internet Services on Airplanes in KSA Airspace</td>
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<td>Automated Vehicle Location (AVL)</td>
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<td>26</td>
<td>44</td>
<td>16</td>
<td>74</td>
<td>89</td>
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<tr>
<td>Short Message Service (SMS)</td>
<td>6</td>
<td>92</td>
<td>135</td>
<td>137</td>
<td>127</td>
<td>131</td>
<td>116</td>
<td>99</td>
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<td>Audio Text Services</td>
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<td>Call Center Services</td>
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<td>10</td>
<td>11</td>
<td>15</td>
<td>20</td>
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<td>Network Operation Center Services</td>
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<td>Telecommunication Hotel Service</td>
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<td>7</td>
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<td>6</td>
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</table>
### Appendix C: Final accounts

#### Revenues

<table>
<thead>
<tr>
<th></th>
<th>Fiscal year 1437/1438 As of 12/30/2016 audited and approved (Thousand Riyals)</th>
<th>Fiscal year 1438/1439 As of 12/30/2017 not audited (Thousand Riyals)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Services Provisioning Fees</td>
<td>2,148,452</td>
<td>61,624</td>
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<tr>
<td>License Fees</td>
<td>371,612</td>
<td>365,050</td>
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<tr>
<td>Spectrum Usage Fees</td>
<td>3,245,823</td>
<td>5,161,309</td>
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<tr>
<td>Other Revenues</td>
<td>68,315</td>
<td>129,220</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>5,834,202</strong></td>
<td><strong>5,717,203</strong></td>
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#### Expenditures

<table>
<thead>
<tr>
<th></th>
<th>Fiscal year 1437/1438 As of 12/30/2016 audited and approved (Thousand Riyals)</th>
<th>Fiscal year 1438/1439 As of 12/30/2017 not audited (Thousand Riyals)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Costs</td>
<td>266,303</td>
<td>229,570</td>
</tr>
<tr>
<td>General and Admin Expenditures</td>
<td>91,904</td>
<td>76,404</td>
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<td>Consulting</td>
<td>58,221</td>
<td>13,020</td>
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<td>IT Systems and Software</td>
<td>5,935</td>
<td>18,823</td>
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<tr>
<td>Capital Expenditures</td>
<td>39,084</td>
<td>82,288</td>
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<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>461,447</strong></td>
<td><strong>420,105</strong></td>
</tr>
</tbody>
</table>

#### Surplus

- **Fiscal year 1437/1438 As of 12/30/2016 audited and approved (Thousand Riyals):** 5,372,755
  - Five billion, three hundred seventy two million, seven hundred five thousand Riyals

- **Fiscal year 1438/1439 As of 12/30/2017 not audited (Thousand Riyals):** 5,297,098
  - Five billion, two hundred ninety seven million and ninety eight thousand Riyals

**Note:**
The CITC bills for and collects revenues before turning them over to the Public Treasury.