Audit on Application Service Provider Class Licensee Providing Messaging Services Under The Communications And Multimedia Act 1998 - Scope of Work-



Mobile Content Services

- Services provided through short code
- Services regulated through the Mandatory Standards for the Provision of Mobile Content Services

Level 1

- Short code allocated for government services and currently maintained by MAMPU through its vendor, DAPAT Vista Sdn Bhd
- 15888

Level 2

- Short code
 used by the
 cellular
 network
 operators
 (Celcos) for its
 branded
 mobile content
 services.
- Eg. 26002

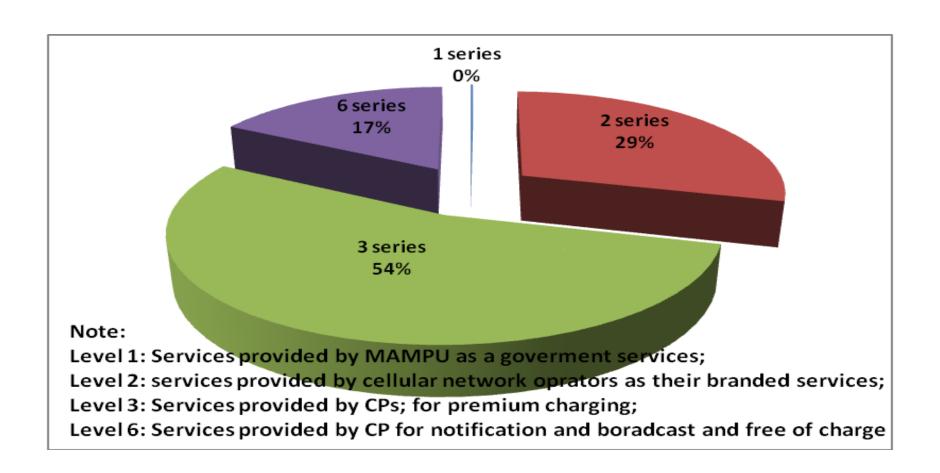
Level 3

- Short code allocated by Celcos to CPs for premium services
- Eg 33546

Level 6

- Short code allocated by Celcos to CPs for bulk services with no charging capability.
- Eg 62002(FOC)

Transaction Segregation for Year 2010 According to Short code series



Reasons for audit:

NPO under the CMA 1998:

"To regulate for the long-term benefit of the end user and to promote a high level of consumer confidence in service delivery"

Observation made on issues from mobile content service, transactions may not be valid due to:

Unethical CP

Billing Error

2.

SMS Spoofing

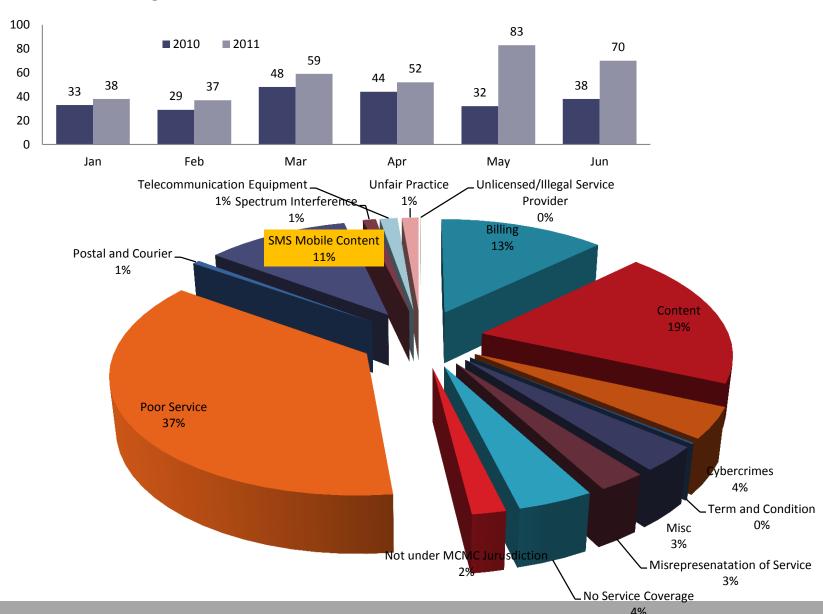
3.

Misleading Network marketing problem activities

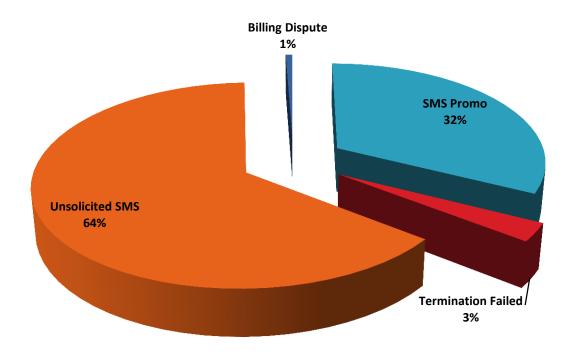
- SMS
- Internet
 Impact to
 consumer



Complaints received in 1st half 2010 Vs 1st half 2011



Segregation of Complaints on Mobile Content Services



Monitoring findings on complaints on unsolicited charged SMS:

1.

Suspicious subscription

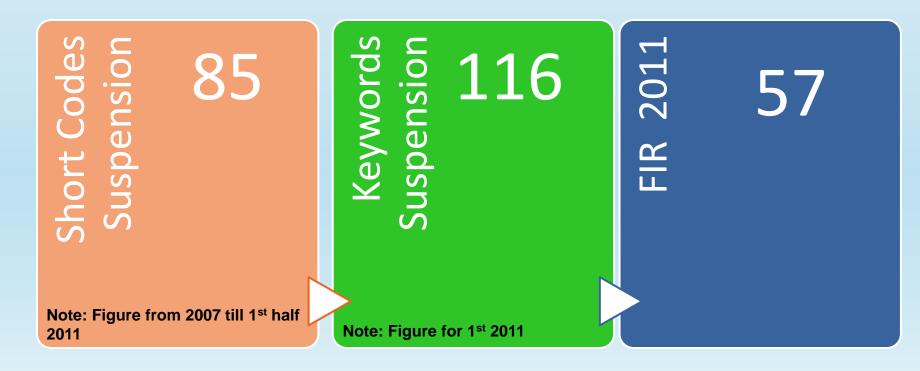
- Misleading advertisement and marketing strategy through SMS, WAP, WEB
- Billing/technical error at CP's platform
- SMS spoofing activities

2.

Consumer's conduct

- Not aware about subscription of mobile content services
- Unauthorized phone used by 3rd party i.e. children, family member, friends.

Action Taken on Non Compliances





Audit Scope of Work

Overview of the entire mobile content service value chain, CP's business process, the cellular network provider responsibility, network architecture and product information including but not limited to service provisioned by the sub CP

Propose the methodology of conducting the audit in arriving at the statement with regards to the authenticity, accuracy, legitimacy and reliability of charging of mobile content services in all material aspects

Examine the accuracy of the charging and the legitimacy of the transactions in respect to mobile content services made to consumer's account

Examine the authenticity, legitimacy and reliability of the transactions made by CP, through, but not limited to its gateway and the cellular network providers' gateway.

Examine all the promotional materials and mediums used by the CPs in promoting their services to customers

Examine the rectification of the system and refund process to the consumer due to non-compliance cases were fully carried out and processed by the CPs.

Examine the compliance with the MS by the CPs

Provide advice on regulatory intervention that should be taken by SKMM against the non-compliance CPs

Provide advice on the improvement of the regulatory measures in ensuring the industry has space to grow and at the same time consumer interest is protected.

MCMAudit conducted for transactions within 2 years

SKMM

For the purpose of this audit, 10 CPs have been selected based on the following criteria:

- 1) Number of non-compliance committed;
- 2) Number of complaints received; and
- 3) Volume of transactions performed



Deliverables and Timelines

Preliminary
Report
should be
Submitted to
SKMM by 30
May 2012

Final Report should be submitted and presented to SKMM by 30 June 2012



Thank You Laman web www.skmm.gov.my

