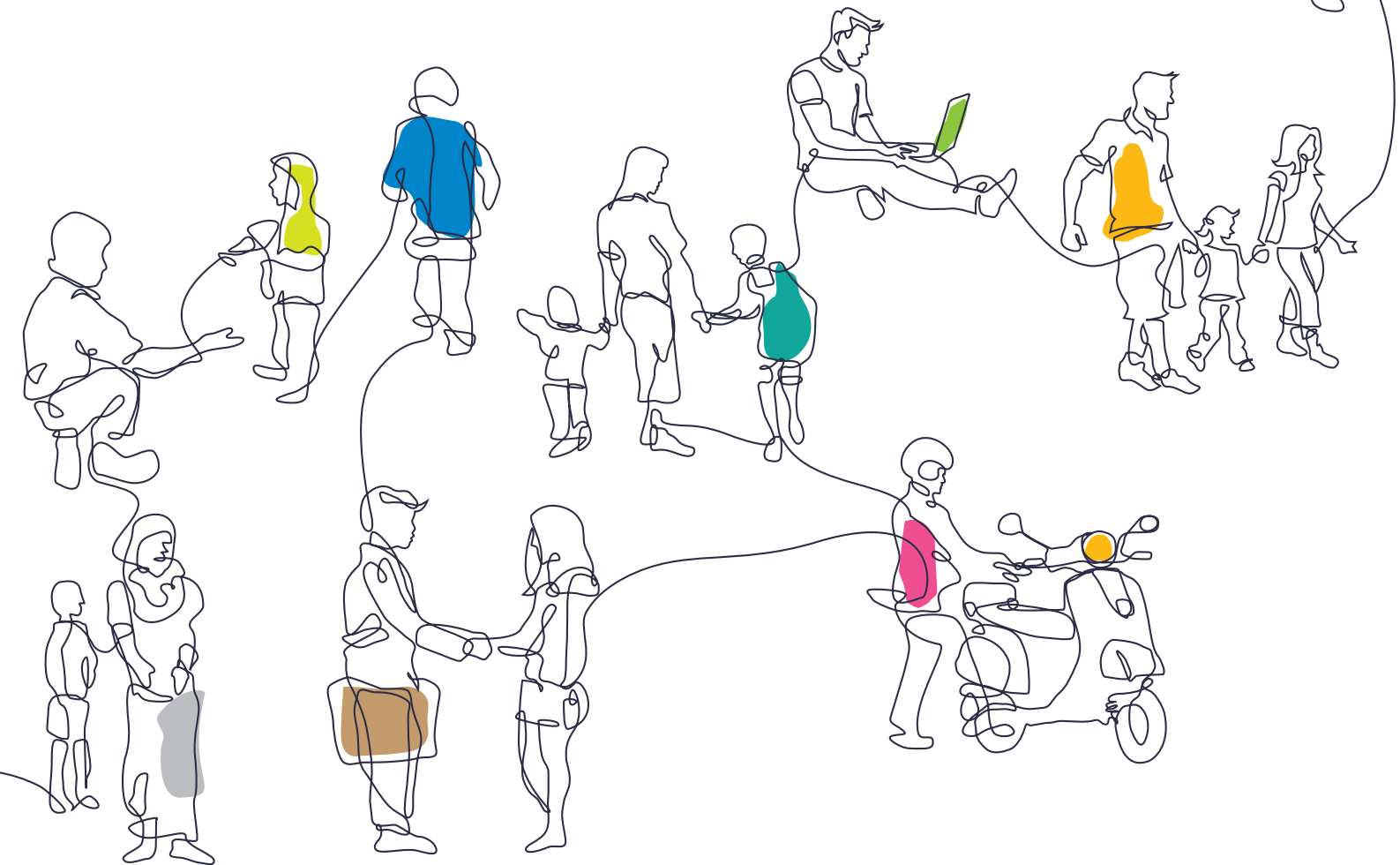




Malaysian
Communications and
Multimedia Commission

Annual Report
2012

Growing Beyond Borders



Under the watchful eye of MCMC, the broadcasting, broadband, postal and courier, fixed (telephone) services and mobile services industries help people and businesses stay connected across time and distances. Using continuous line drawing that carries from page to page and cover to cover, this annual report concept highlights MCMC's role in keeping the nation connected as 1Malaysia to drive the nation's growth into the future and beyond.

10 NATIONAL POLICY OBJECTIVES FOR COMMUNICATION AND MULTIMEDIA IN MALAYSIA

- 1 Establish Malaysia as a major global centre and hub for communications and multimedia information and content services
- 2 Promote a civil society where information-based services will provide the basis of continuing enhancements to quality of work and life
- 3 Grow and nurture local information resources and cultural representation that facilitate the national identity and global diversity
- 4 Regulate for the long-term benefit of the end user
- 5 Promote a high level of consumer confidence in service delivery from the industry
- 6 Ensure an equitable provision of affordable services over ubiquitous national infrastructure

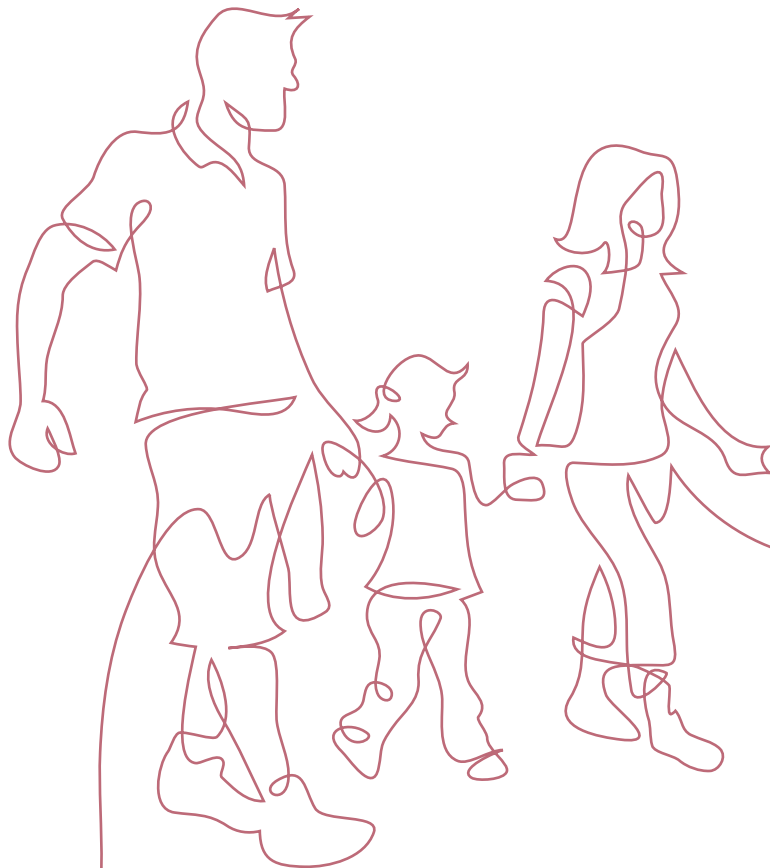


Vision

A globally competitive, efficient and increasingly self-regulating communications and multimedia industry generating growth to meet the economic and social needs of Malaysia

Mission

Promoting access to communications and multimedia services



Ensuring consumers enjoy choice and a satisfactory level of services at affordable prices



Providing transparent regulatory processes to facilitate fair competition and efficiency in the industry



Ensuring best use of spectrum and number resources



Consulting regularly with consumers and service providers and facilitating industry collaboration

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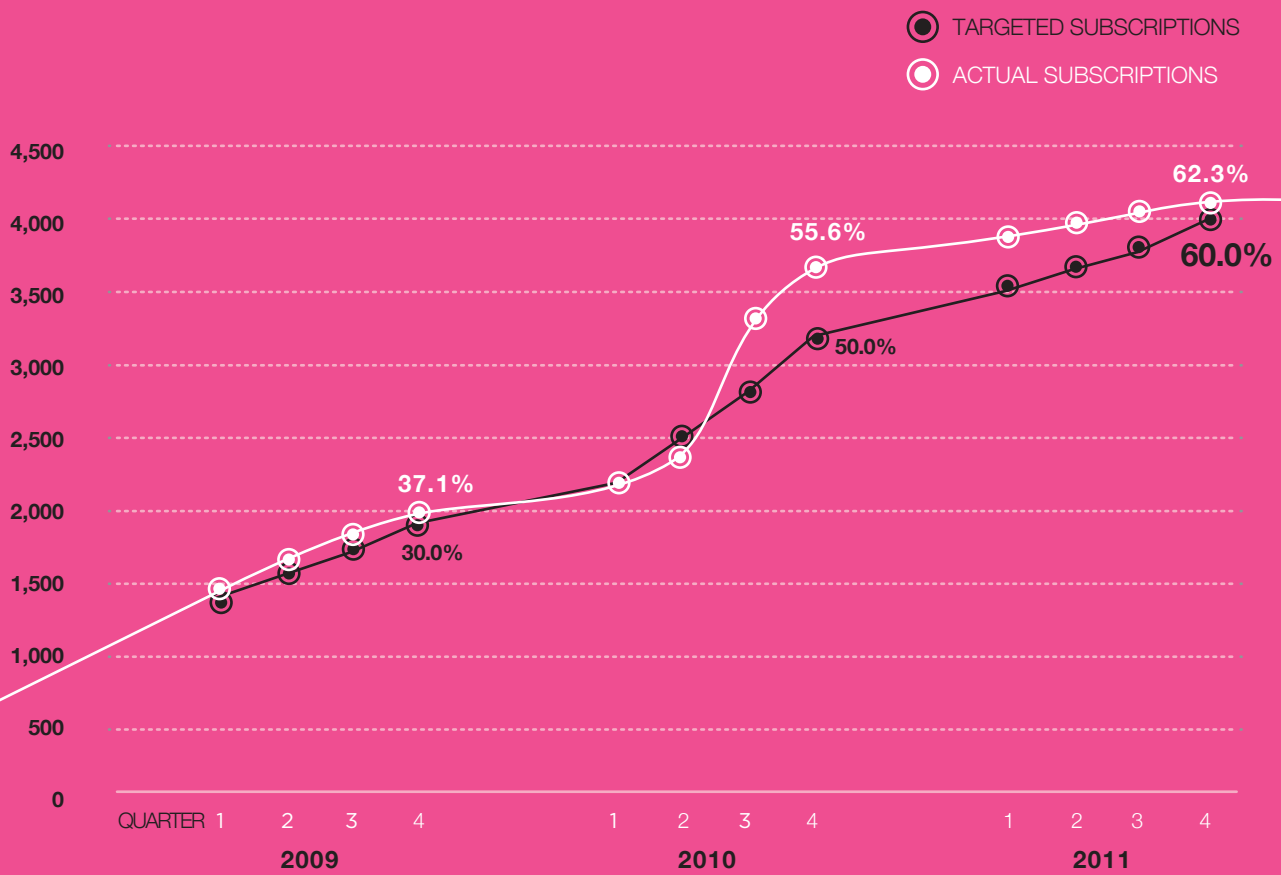


6.4 mil

Number of Broadband Subscriptions

16.0 mil

Number of Internet Users



National broadband penetration rate

Malaysia has achieved rapid development in the adoption of broadband services within a short time period.

household broadband penetration rate

11% / 2006

31.7% / 2009



surpassing the

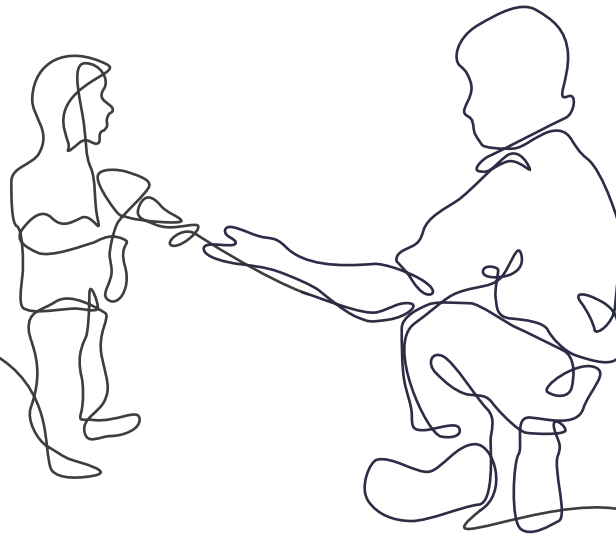
50%

target set in 2010.

Minister's Foreword



Like it or not, we now live in a society where we can stay connected even when afar, and everything is made possible by the development of increasingly sophisticated ICT technologies. This is what we hope to achieve in the coming years, namely a knowledge-based society that is always connected.



Malaysia's success in achieving a broadband penetration rate of 66% in 2012 is an accomplishment that we can indeed be proud of.

For a developing country such as Malaysia, this achievement puts us on equal standing with other nations.

Although Malaysia is still considered a developing country, a broadband penetration rate of 66% is enough to inspire us and give us hope that we will someday achieve full broadband penetration.

The ability of our nation to reach that level of broadband penetration will enable the people to become more connected, and be part of a global village that is efficient and rich with information and knowledge. Connectivity will certainly be a key contributor to the realisation of this agenda.

Like it or not, we now live in a society where we can stay connected even when afar, and everything is made possible by the development of increasingly sophisticated ICT technologies.

This is what we hope to achieve in the coming years, namely a knowledge-based society that is always connected.

Therefore, I put my confidence in the ability of MCMC to drive the national transformation towards connecting Malaysia to the rest of the world.

Dato' Seri Utama Dr Rais Yatim
Minister of Information Communications and Culture

Chairman's Message



In other words, connectivity has made our lifestyle more digital. This change is the result of the National Broadband Initiative that was introduced in 2008 with the aim to provide broadband access to all Malaysians. The initiative has shown impressive results, with the national broadband penetration rate growing manifold in a few short years.

Connectivity within the communications network has become an essential element in our daily lives. Without it, life would certainly feel cumbersome and awkward. In fact, connectivity has broadened our world into one unconstrained by time and distance. Good broadband service complemented with the use of smartphones and tablets has enabled us to stay connected with one another, at anytime, no matter where we are.

Back in the day, people used to queue up in post offices to pay their monthly bills. Now, with just a few clicks on the computer or iPad, you can pay your bills online without having to queue up at the payment counter. Applications such as Skype, Webcam and Google Hangout allow people who live far apart to keep in touch with one another and communicate in real-time, while small business owners can also explore new markets through their own websites.

In other words, connectivity has made our lifestyle more digital. This change is the result of the National Broadband Initiative that was introduced in 2008 with the aim of providing broadband access to all Malaysians. The initiative has shown impressive results, with the national broadband penetration rate growing manifold in a few short years.

Six years ago, the broadband penetration rate for households was a mere 11%. But this changed drastically in 2009 when the penetration rate hit 31.7%, a threefold increase. The figure continues to surge throughout 2012, when the country's broadband penetration rate successfully reached 66%.

Such an encouraging development also proves to the world that Malaysia has made great strides in this context. What's more, Malaysia's broadband penetration rate is among the best in South-East Asia, and that's something that we should all be proud of.

The number of Facebook users in Malaysia has also reached over 13 million, placing us third in the world based on the ratio of population to the number of active Facebook users, just behind the United States and the United Kingdom. This development is a clear sign that the people are hungrier than ever for connectivity.

2012 is a year of many outstanding achievements for MCMC's, amongst them is the *Kampung Tanpa Wayar* (KTW), *Pusat Internet 1Malaysia* (PI1M) and 1Malaysia Netbook initiatives. For instance, a whopping 2,489 centres have been set up for the KTW programme throughout the past year, bringing the total number of KTW centres to 3,844. A total of 36 PI1M

were also set up and the distribution of 1Malaysia netbooks has been implemented to ensure that the people are keeping up with the development of Information and Communications Technology (ICT).

The focus of the MCMC's 2012 annual report is on the aspect of Connectivity. The choice of this theme is a reflection of the commitment and determination of the Ministry and MCMC's to ensure that every Malaysian is able to enjoy consistent broadband service. Every Malaysian, regardless of age or income, has the right to enjoy such facilities at the best rate and quality. As it is the country's mission to achieve a developed country status by 2020, now is the time to mobilise every effort towards the realisation of that goal.

Dato' Mohamed Shariff Tarmizi

CHAIRMAN

Malaysian Communications and Multimedia Commission

Commission Management

Commission Members

Dato' Thanarajasingam Subramaniam

Datuk Idris Abdullah

Dato' Mohamed Sharif Tarmizi



*Datuk Mohamad Safim
Fateh Din*

Dato' Sri Kamaruddin Siaraf

Datuk Dr Madinah Mohamad



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Dato' Mohamed Sharif Tarmizi

Chairman of the Malaysian Communications and Multimedia Commission (MCMC)

Dato' Mohamed Sharif Tarmizi was appointed as Chairman of MCMC effective 16 October 2011.

He served as a Member of the Commission from 1 May 2006 for two terms, during which time he was subsequently invited to join MCMC as Chief Operating Officer on 16 June 2008 prior to his current appointment.

He brings with him a considerable number of years of experience in the legal field, communications and multimedia industry, as well as experience in the financial advisory and strategy consulting areas. He was the Executive Director and Head of Strategy in BinaFikir Sdn Bhd, a financial advisory and strategy consulting firm, prior to joining MCMC as the Chief Operating Officer.

In the international arena, Dato' Mohamed Sharif is recognised as an authority in the area of Internet Governance where he was appointed as Chairman of the Government Advisory Committee (GAC) from January 2003 to March 2007, as well as a Board Member in the Internet Corporation of Assigned Names and Numbers (ICANN) during the same period. At the end of his tenure, he was honoured by the GAC, the ICANN Board and the global internet community for successfully navigating the GAC and assisting ICANN through the challenging early years of the debates surrounding Internet Governance at two United Nations World Summits on the Information Society in Geneva (2003) and Tunis (2005).

He has also worked with the World Trade Organisation (WTO) in the areas of capacity building and helping countries undergo regulatory reform in preparation for globalisation. In particular, he was involved in the further development of the Telecoms Reference Paper for the Telecommunications Sector as well as the drafting of the Postal Services Reference Paper for the Postal and Express Delivery Sector. He was one of Malaysia's lead negotiators for the telecoms sector in various rounds of WTO negotiations, and for the various Trade or Economic Cooperation agreements with Japan, Australia and New Zealand.

He was also recently elected the Vice Chairman of the ITU Council's Child Online Protection initiative, an initiative to address the ills of cyberspace particularly against young persons and children.

He also sits on the Board of Trustees of the International Multilateral Partnership Against Cyber Threats (IMPACT) and he was appointed to the Board of Directors of the Multimedia Development Corporation by Prime Minister Dato' Sri Mohd Najib Tun Razak.

He holds a Bachelor's degree in Law from University College of Wales, Aberystwyth and is qualified as a Barrister from Gray's Inn, England and Wales, UK.

Dato' Thanarajasingam Subramaniam

Non-Governmental Commission Members

Dato' Thanarajasingam Subramaniam has served with the Malaysian Foreign Ministry for over 36 years. Dato' Thanarajasingam's last stint was as the Ambassador of Malaysia to France and Portugal from 2006 until his retirement in early 2010.

Prior to that, he had served as the Ambassador of Malaysia to Brazil, Suriname, Guyana and Venezuela between 1998 and 2001. He was made the Deputy Permanent Representative, Permanent Mission of Malaysia to the United Nations, New York, USA, from 1993 to 1997. In 1996, he had served as Chief of Staff to the United Nations General Assembly President as well. At the local and regional fronts, he has held various distinctive positions, including as the Deputy Secretary-General for Multilateral Affairs, Ministry of Foreign Affairs from 2004 to 2006 where he handled all matters pertaining to international economics and international organisations. He had also served as the Director General of ASEAN, Malaysia, where he prepared Malaysia's position for various ASEAN meetings, in particular, the ASEAN Summit of Leaders in Bali (2003) and Vientiane (2004). He is currently a member of the ASEAN-India Eminent Persons Group representing Malaysia.

He holds a Bachelor of Arts (B.A) degree from University of Malaya in 1973 and Master of Arts (M.A) degree from New York University, USA, in 1985.

In recognition of his contributions, he received many awards and the most recent one was in 2010, where he was awarded the Grand Officier dans l'Ordre National du Mérite from the Government of France.

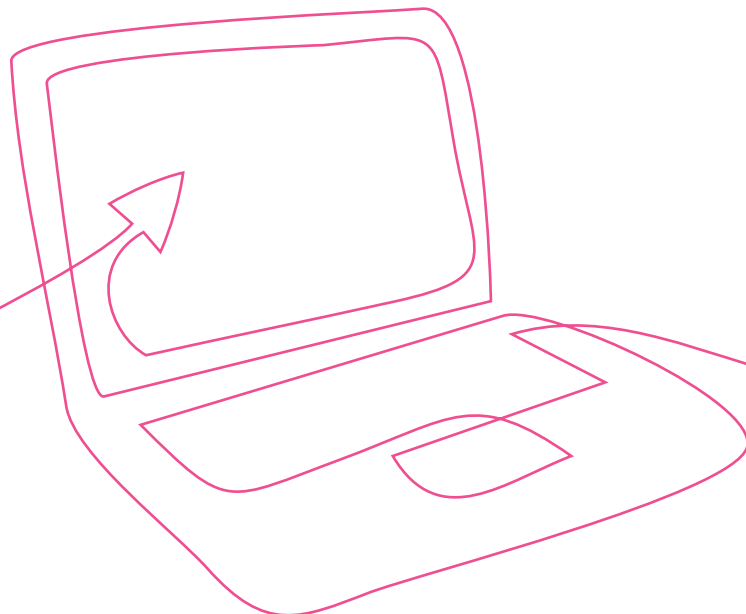
He was appointed as a Member of the Malaysian Communications and Multimedia Commission effective 1 December 2010 for a period of 2 years.

Datuk Dr Madinah Mohamad

Secretary General, Ministry of Education Malaysia

Datuk Dr Madinah Mohamad was officially appointed as Secretary General of the Ministry of Education Malaysia (MOE) effective 3 June 2013.

She graduated with a Bachelor's degree in Political Science from Universiti Sains Malaysia and a Master's degree in Human Resource Development from Universiti Putra Malaysia. She began her career as an Administrative and Diplomatic Officer in 1981 with the Ministry of Foreign Affairs. Prior to her current position, Datuk Dr Madinah has had vast working experience in various Government agencies such as the Public Service Department, the Ministry of National and Rural Development, the Ministry of Works, the Ministry of Science, Technology and Innovation (MOSTI), and the Department of National Unity and Integration.



*Datuk Mohamad Salim
Fateh Din*

Non-Governmental Commission Member

Datuk Mohamad Salim Fateh Din is the Chief Executive Officer of Gapurna Sdn Bhd and its group of companies. He is also the Non-Executive Chairman of GCH Retail (Malaysia) Sdn Bhd, a subsidiary of Dairy Farm International Holdings Ltd, the operator of the Giant Hypermarkets, Guardian and Cold Storage retail chains.

Datuk Mohamad Salim is a pioneer who introduced the “Superstore Petrol Station” concept to leading oil companies in Malaysia, namely Shell, Esso, BP and Caltex. He was responsible for designing the latest distribution centres for retailer Giant by modernising and improving its food-processing systems while reducing its logistic costs and delivery turnaround time. The success of Giant was later emulated by others in the country’s food supply chain.

Nonetheless, Datuk Mohamad Salim’s principal business is property investment and development. He is among the first few developers who adopted a “Green” concept. The hallmark developments that he spearheaded include the PJ Sentral Garden City and the 348 Sentral at KL Sentral. The 348 Sentral will house Shell’s new regional office, a relocation and placement exercise undertaken by the oil company with the facilitation of Datuk Mohamad Salim. Both developments have garnered the highest standards of Green Building Index (“GBI”) as well as Leadership in Energy & Environmental Design (“LEED”), and are hailed as industry benchmarks for being among the greenest, most sustainable and integrated developments in the country.

Datuk Mohamad Salim was also highly instrumental in the setup of the Malaysia-Pakistan Business Council which he now chairs. He has contributed unwaveringly towards the creation of bilateral trade opportunities amongst both Governments as well as the business communities of Malaysia and Pakistan.

He was appointed as a Member of the Malaysian Communications and Multimedia Commission effective 1 December 2010 for a period of 2 years.



Dato' Sri Kamaruddin Siaraf

Secretary General, Ministry of Information, Communications and Culture Malaysia

Dato' Sri Kamaruddin Siaraf has been reappointed as a Commission Member effective 10 April 2011 for a period of 2 years.

Dato' Sri Kamaruddin has served the Government for 35 years in various capacities, including as the Secretary General of the Ministry of Information, State Secretary of Negeri Sembilan, and Director General of Tourism Malaysia. Upon his retirement in May 2011, the Government has extended his service for another year as the Secretary General to the Ministry of Information, Communications and Culture Malaysia.

As the Secretary General, Dato' Sri Kamaruddin is very much involved in the formulation of the National Creative Industry Policy or "*Dasar Industri Kreatif Negara*", the setting up of the Personal Data Protection Commission, Broadband Initiatives Content Development and 1Malaysia campaign and initiatives. Currently, Dato' Sri Kamaruddin is the Chairman of ASWARA and Menara Kuala Lumpur. He also sits on the Board of GITN Sdn Bhd and BERNAMA.

Datuk Idris Abdullah

Non-Governmental Commission Member

Datuk Idris Abdullah was appointed as a Commission Member effective 7 November 2011. He holds a First Class LLB (Hons) degree from the University of Malaya (1981).

Datuk Idris is currently a senior partner at Idris and Company Advocates, Kuching, Sarawak. He also holds several key positions in Malaysia and Singapore, namely as a Director of Bank Pembangunan (Malaysia Development Bank) Berhad, Chairman/Director of Pembangunan Leasing Corporation Sdn Bhd, Chairman/Director of PLC Credit & Factoring Sdn Bhd, Chairman/Director of Magnus Energy Group Ltd (listed on Singapore SESDAQ), Chairman/Director of APAC Coal Ltd (listed on Australian Stock Exchange), Chairman/Director of Xian Leng Holdings Berhad (listed on Malaysian Stock Exchange), Chairman/Director of Industrial Power Technology Pte Ltd and Director of Konsortium Rangkaian Serantau (Regional Network Consortium) Sdn Bhd. He is also a Commission Member of the Companies Commission of Malaysia (SSM).



Management Committee

Uzer Tajudin

Acting Head of Division
Rural Development

Sheikh Raffie Abd Rahman

Strategic Advisor
Corporate Communication

Mohd Hussin Ali

Acting Head of Division
State Coordination

Dato' Jailani Johari

Chief Officer
Industry Regulation



Mohd Shafie Othman
Head of Division
Strategic Trade

Nur Sulyna Abdullah
Head of Division
International Affairs, Legal and
Secretariat

Faizah Zainal Abidin
Head of Division
Spectrum and Numbering Planning



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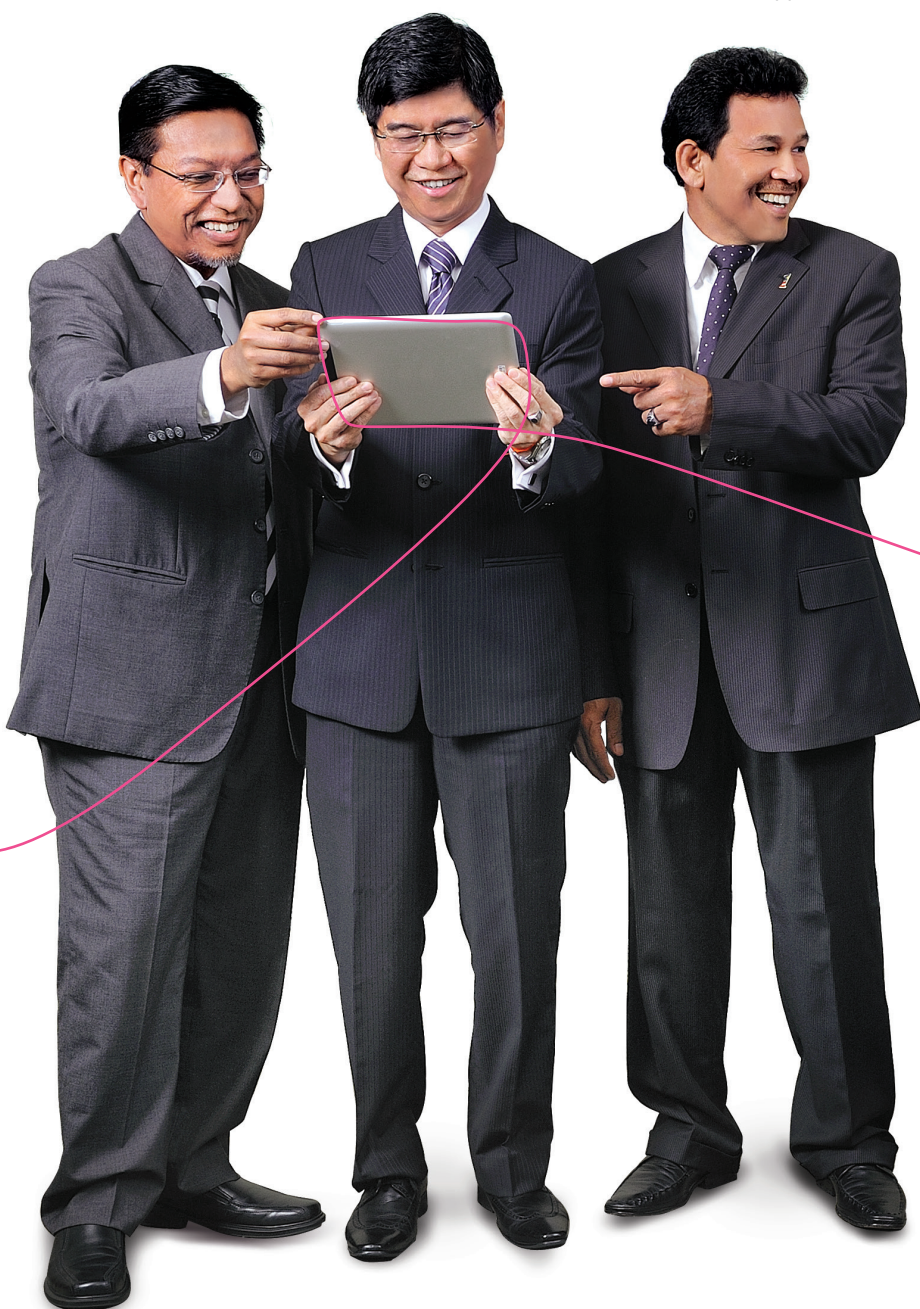
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Dato' Mohd Ali Hanafiah
Chief Officer
Industry Development

Cho Shi Chong
Acting Head of Division
Finance, Property and Administration

Tengku Zaib Raja Ahmad
Chief Officer
Support and Services



Koay Hock Eng
Head of Division
Industry Research

Zulfarnain Mohd Yasin
Head of Division
Monitoring and Enforcement



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Engy Faridah Iskandar
Head of Division
Outreach and Engagement

Toh Swee Hoe
Advisor
Special Projects



Norizan Baharin
Head of Division
Licensing and Assignment

Lt Col Asmuni Yusof (B)
Head of Division
Network Security and
Surveillance

Nor Akmar Shah Minan
Head of Division
Broadband Management

Laila Hassan
Head of Division
Market Regulation



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Awareness programme about the use of internet among children

Malaysia Internet Centre Kampung Masjid Baru, Asahan

1Malaysia Internet Centre (PI1M) provides high-speed broadband Internet and WiFi access to the local population, and ICT training and human capital development in selected locations throughout the country. PI1M is open to all walks of life, promoting internet awareness and providing guidance to users to help to build healthy, connected communities in the era of communications and multimedia.



Communications and Multimedia Statistics Review

Penetration Rates at a Glance

	2011	2012
Broadband Per 100 inhabitants	19.4	Q1 19.6 Q2 19.8 Q3 21.0 Q4 21.7
Broadband Per 100 households	62.3	Q1 62.9 Q2 63.7 Q3 63.8 Q4 66.0
Cellular Phone Per 100 inhabitants	127.7	Q1 129.2 Q2 135.2 Q3 137.7 Q4 141.6

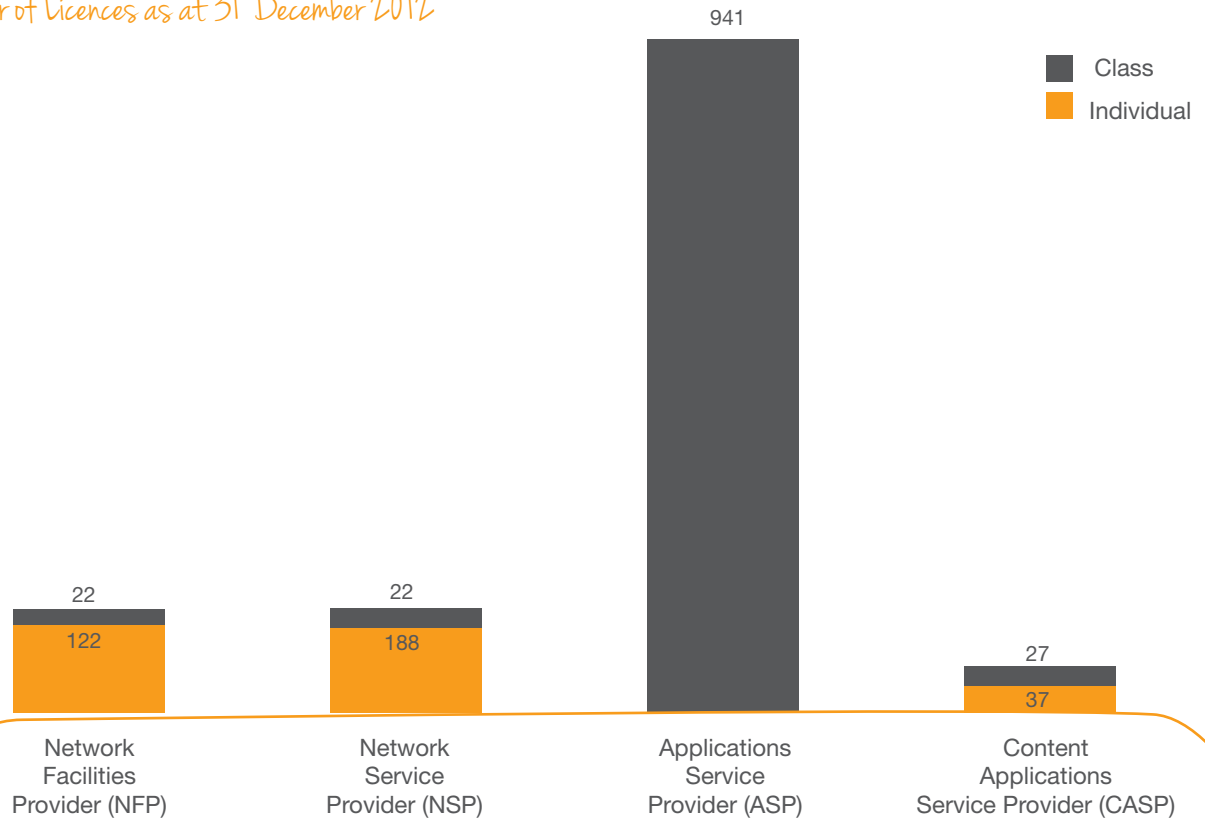
Penetration Rates at a Glance (cont'd)

	2011	2012
Direct Exchange Line (DEL) Per 100 households	37.3	Q1 36.6 Q2 35.6 Q3 35.0 Q4 34.4

Notes:

- The broadband penetration rate per 100 inhabitants is calculated by dividing the sum of household and non-household subscriptions by the number of inhabitants and multiplying by 100. Public WiFi subscriptions are not taken into account.
- The broadband penetration rate per 100 households is calculated by dividing the number of subscriptions used in private households by the number of private households and multiplying by 100. Non-private household subscriptions and public WiFi subscriptions are not taken into account.
- The penetration rate refers to the total subscriptions divided by the total population and multiplied by 100. A penetration rate of over 100% can occur because of multiple subscriptions.
- The DEL penetration rate per 100 households is calculated by dividing the number of private household subscriptions by the number of private households and multiplying by 100.

Number of licences as at 31 December 2012



Number of Broadband Subscriptions and Penetration Rate

YEAR	QUARTER	FIXED (WIRES) ('000)	WIRELESS ('000)	1 MALAYSIA NETBOOK ('000)	TOTAL ('000)
TOTAL					
2012	1	2,052.4	3,418.6	279.2	5,750.2
	2	2,111.0	3,449.4	279.2	5,839.6
	3	2,145.2	3,769.7	279.2	6,194.1
	4	2,319.4	3,816.2	279.2	6,414.8
Total population ('000)					29,000.1
Population penetration rate					21.0
HOUSEHOLD					
2012	1	1,685.3	2,359.8	279.2	4,324.3
	2	1,731.2	2,382.9	279.2	4,393.3
	3	1,759.9	2,379.4	279.2	4,418.5
	4	1,925.8	2,452.7	279.2	4,657.7
Total number of households ('000)					6,744.0
Households penetration rate					66.0
NON-HOUSEHOLD					
2012	1	367.1	1,058.6		1,425.9
	2	379.8	1,066.5		1,446.3
	3	385.3	1,390.3		1,775.6
	4	401.2	1,375.8		1,777.0

Explanatory notes:

- a. Including ADSL, SDSL, VDSL, Fibre, Satellite and Fixed Wireless.
b. Including Mobile Broadband, Pay Per Use, WiMAX and EVDO

Number of Cellular Telephone Subscriptions and Penetration Rate

YEAR	QUARTER	POSTPAID ('000)	PREPAID ('000)	TOTAL ('000)	PENETRATION RATE PER 100 INHABITANTS
2011		7,067	29,595	36,661	127.7
2012	1	7,127	30,046	37,173	129.2
	2	7,228	31,812	39,040	135.3
	3	7,257	32,569	39,826	137.7
	4	7,401	33,673	41,074	141.6

Notes:

a. The penetration rate refers to the total subscriptions divided by the total population and multiplied by 100. A penetration rate of over 100% can occur because of multiple subscriptions.

b. Includes 3G.

Number of Broadcast Minutes, Free to Air TV

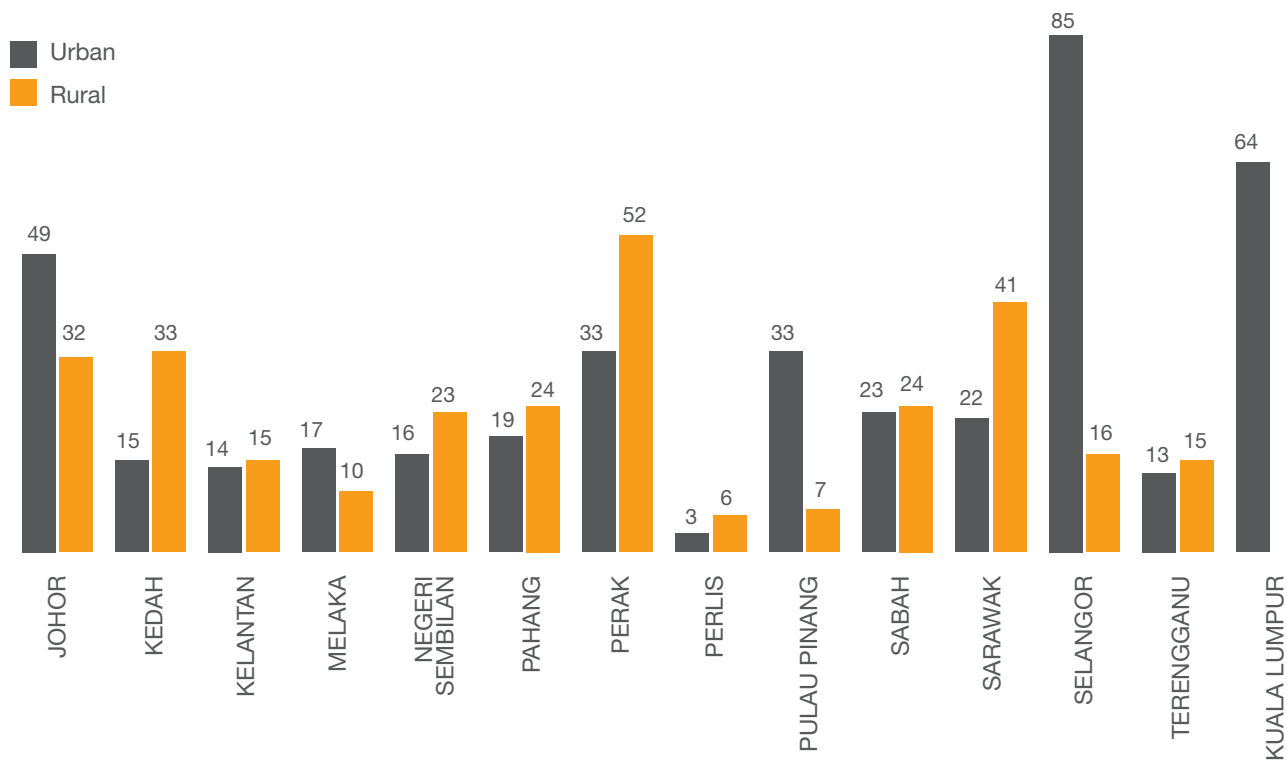
YEAR	QUARTER	RTM1	RTM2	TV3	NTV7	8TV	CHANNEL 9	TV ALHIJRAH	TOTAL
2011		438,683	525,818	524,525	413,212	416,193	406,596	-	2,725,027
2012	1	107,340	131,820	129,979	105,206	103,823	101,179	131,040	810,387
	2	108,019	132,075	130,734	105,038	103,989	103,925	131,040	814,820
	3	128,093	133,063	131,812	105,885	105,110	113,554	132,480	849,997
	4	133,478	133,582	131,937	105,950	104,955	104,774	132,480	847,156

Source: AC Nielsen

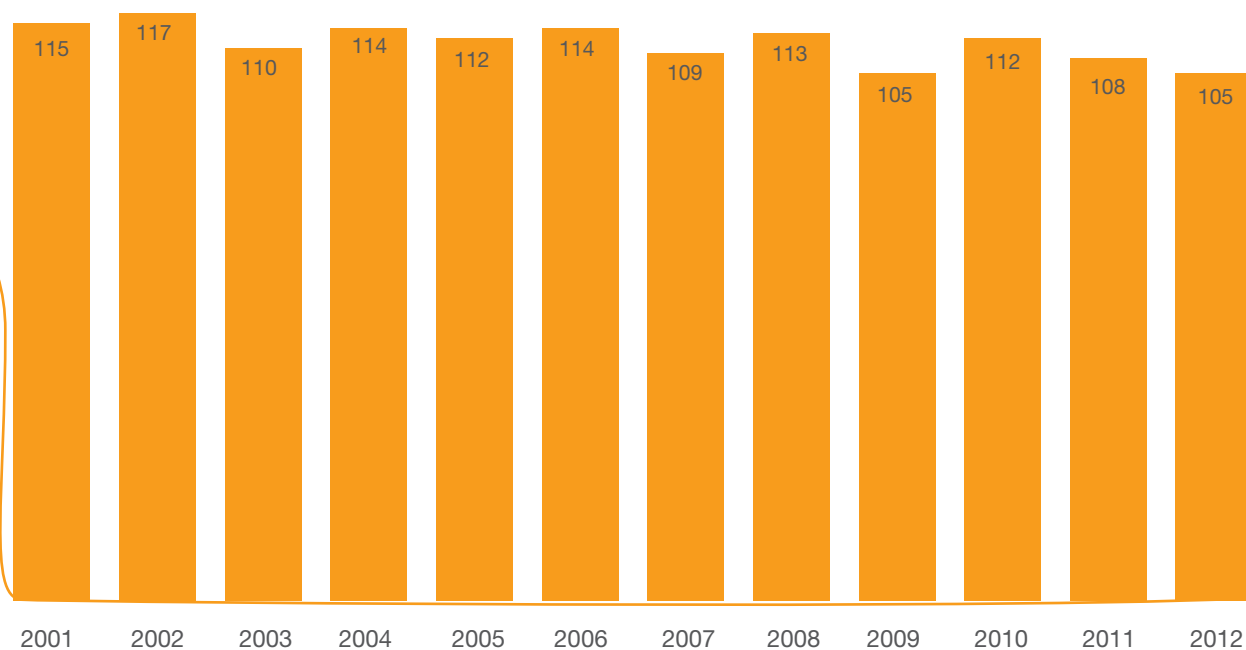
Number of Pay TV Subscriptions

YEAR	QUARTER	HOUSEHOLD ('000)	NON-HOUSEHOLD ('000)	TOTAL ('000)	PENETRATION RATE PER 100 HOUSEHOLD
2011		3,309	11	3,050	45.5
2012	1	3,104	10	3,114	46.4
	2	3,183	13	3,196	47.4
	3	3,308	14	3,322	49.2
	4	3,399	16	3,415	49.2

Postal Establishments



Number of Courier Licences



As at 31 December 2012

Broadband Management

National Broadband Initiative Achievements In 2012

Broadband Measurement and Achievement

Broadband is the major catalyst of the ICT industry and has become a mainstay of the country's transformation programme. The Government initiatives to increase broadband penetration rate began as early as 2004 and was furthered with the launch of the National Broadband Initiative in March 2010. By the end of 2012, the household broadband penetration rate has reached 66%, exceeding the set target of 65%. The continuous progress achieved proves the effectiveness of the initiatives that have been implemented. Figure 1 shows the broadband penetration rate achievement compared to the set target.

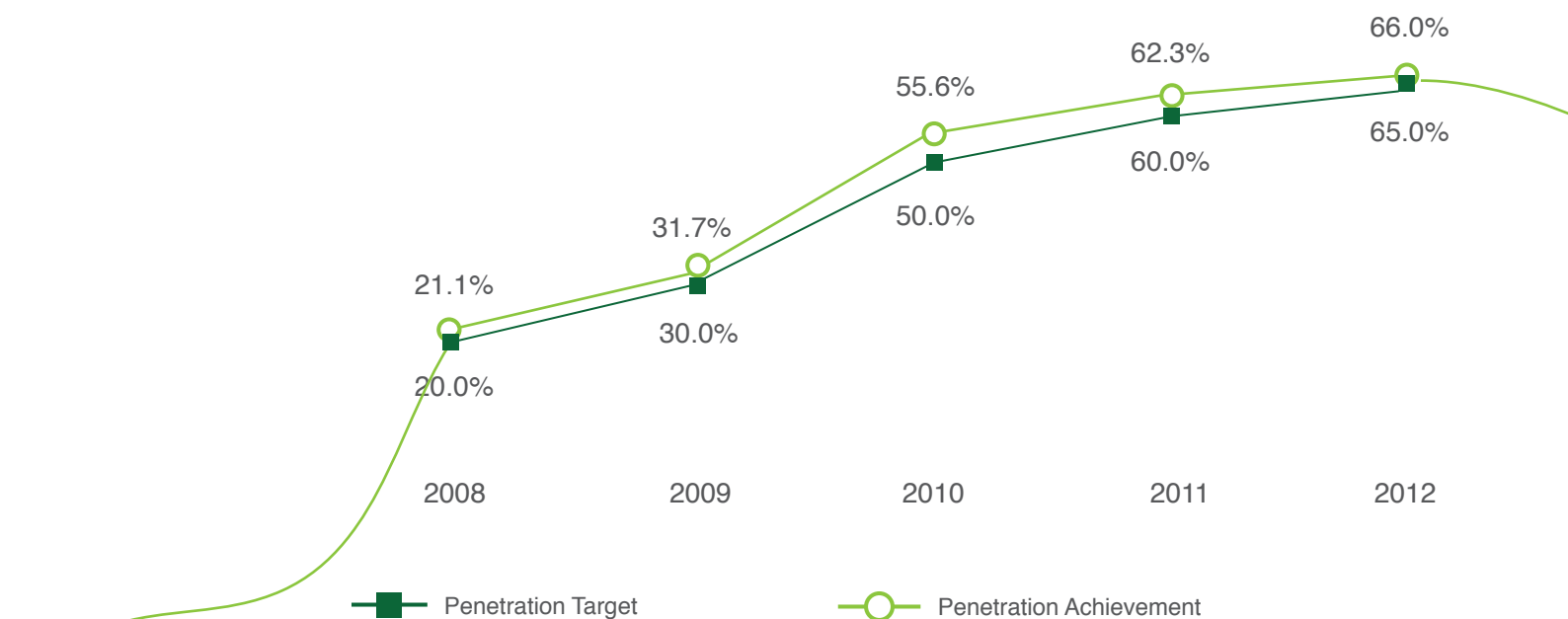


Figure 1 National Broadband Penetration Rate

The household broadband penetration rate in several states for the year 2012 also increased compared to the previous year. Sabah and Sarawak have shown continuous increment, especially Sabah, which has increased from 32.7% to 47.3%. The household broadband penetration rate by state is provided in Table 1 below.

STATE	PENETRATION RATE 2011	PENETRATION RATE 2012
Johor	60.7	64.1
Kedah	56.5	56.0
Kelantan	45.3	43.8
Melaka	66.4	68.8
Negeri Sembilan	76.0	73.7
Pahang	49.0	50.7
Perak	52.2	53.6
Perlis	84.9	81.9
Pulau Pinang	82.8	83.8
Selangor	74.8	77.6
Terengganu	58.6	57.5
Sabah	32.7	47.3
Sarawak	47.5	48.2
WP Kuala Lumpur	107.4	119.4
WP Labuan	73.1	65.2

Table 1 Household broadband penetration rate by state

High Speed Broadband

Implementation of High Speed Broadband Project (HSBB) under Public Private Partnership (PPP) between the Government of Malaysia and Telekom Malaysia Berhad (TM) has exceeded the target of 1.3 million ports. The high speed broadband connections involved 97 exchanges in high economic impact areas including upgrading of the core network throughout the country and international networks.

As of December 2012, the total investment has reached RM6,251 million, mainly channelled into providing access and establishing core domestic network and international networks. To that end, a total of 45,601km of fibre optic cable has been installed throughout the country. The high speed broadband (HSBB) coverage is shown in Figure 2 below. HSBB retail service, called UniFi, was launched in March 2010 and currently there are 543,000 recorded subscriptions, with 459,450 and 83,550 for residential and business categories respectively.

Apart from providing access to residential and business premises, this project has also provided HSBB coverage to more than 600 office locations/buildings, which involved provision of almost 6,000 HSBB ports with FTTH or VDSL technology. In addition, 81 public and private universities have been covered under HSBB coverage. A total of 27 Internet centres have been built for selected target groups in urban and sub urban areas. Under the open access concept, 80,000 access ports have been provided to other service providers in order for them to offer high speed broadband services under their own brand. This will provide more broadband service choices to the consumer.

Apart from the aspect of coverage, up to now, more than 1,000 Bumiputera suppliers and contractors have benefited from the training programmes, technology transfer and work contract initiated in implementing the project.

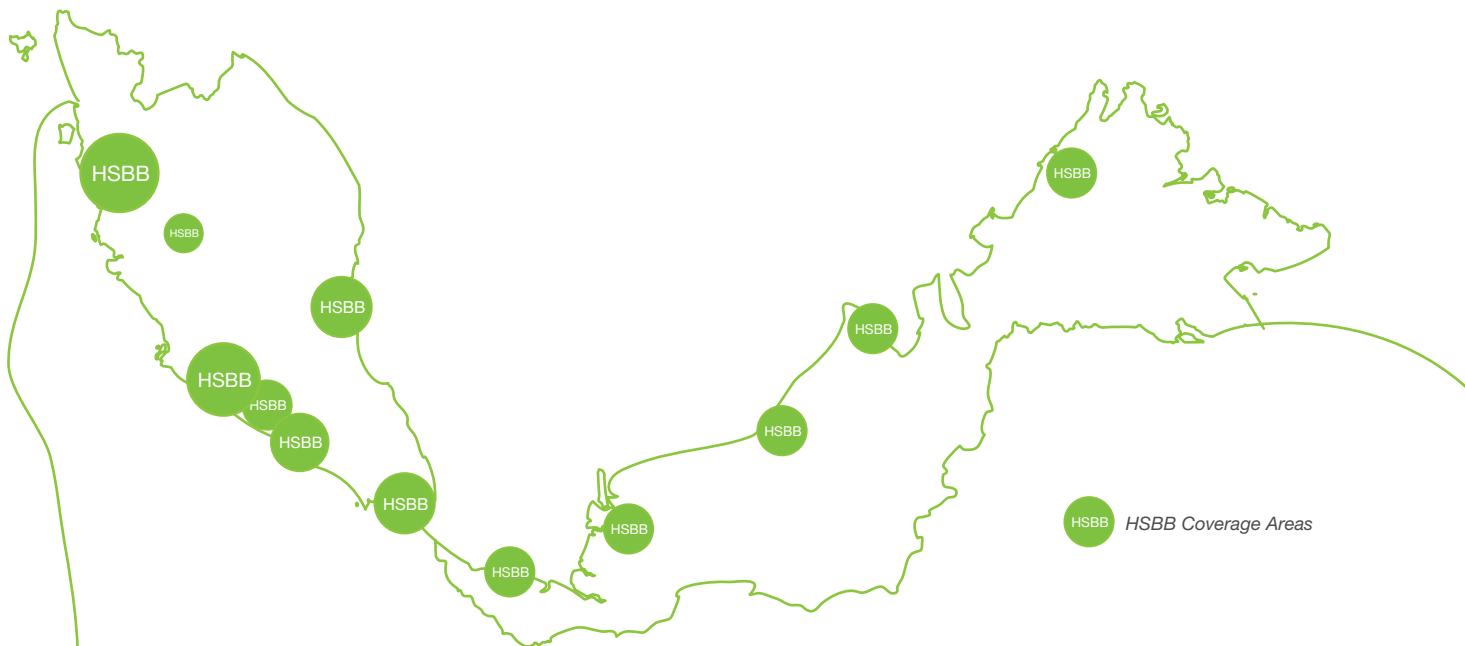


Figure 2 HSBB coverage areas

Broadband for General Population

The initiative to provide broadband services to high economic impact area and Universal Service Provision (USP) at limited access and rural areas was driven by the service providers. Through both the initiatives, broadband coverage has been broadened to more than 80% coverage at populated areas via various technologies. Cellular coverage has reached 96% at populated areas, with penetration rate of more than 140%.

The USP programme includes the roll out of KTW, PI1M and development of telecommunication towers to accommodate cellular and wireless broadband equipments. A total of 3,973 KTW, 664 towers dan 287 PI1M have been rolled out at rural and remote areas. Other than that, community access facilities have also been provided at the local libraries and Department of Information offices.

In order to expand the fibre backhaul coverage, the Government has approved a total allocation of RM250 million under the 10th Malaysia Plan for the Broadband for General Population (BBGP) Backhaul Project in Sabah and Sarawak. Under this project, the existing network will be upgraded to fibre optic network to support the other initiatives under the National Broadband Initiative (NBI).

The main target areas for the project are rural and low impact areas, taking into consideration the requirement of broadband services to Government agencies, educational institutions and local communities.

The BBGP Backhaul Project in Sabah and Sarawak started in July 2012 and is expected to be completed by July 2013. A total of 77 new fibre links will be rolled out in the new areas, with a total length of 2,500 Fkm. In order to support the new backhaul network, the capacity of the existing fibre network will be upgraded to support the new links. This involves upgrading of 3,700 Fkm of existing fibre network in Sabah and Sarawak. Upon the completion of this project, broadband services can be delivered to the rural areas in Sabah and Sarawak at a lower cost and better quality. As of end 2012, the project progress stands at 6.5% completion.

Broadband Subscriptions

Based on the current situation, more than 50% of the total broadband subscriptions are wireless broadband subscriptions. Apart from that, high speed broadband subscriptions have doubled from 234,000 subscriptions in 2011 to 543,000 subscriptions in 2012. Breakdown of the subscriptions by technology is shown in Figure 3 below.

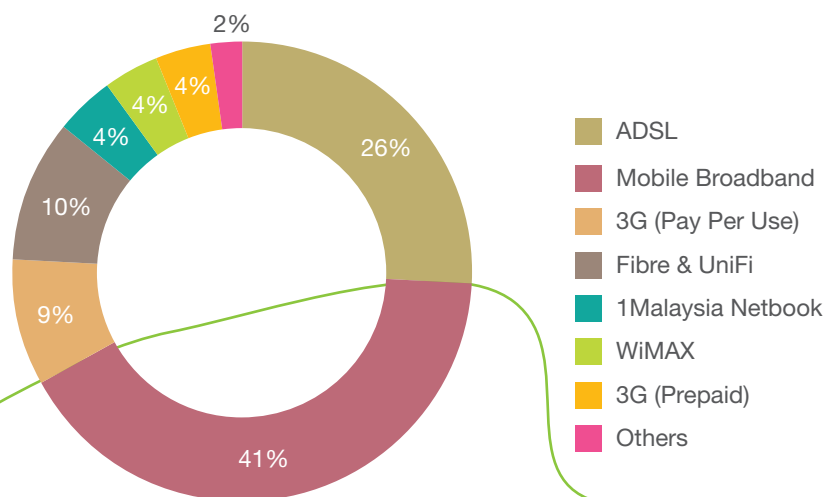


Figure 3 Breakdown of Subscriptions by Technology

Encouraging Demand for National Broadband

National Broadband Awareness and Promotion Programme

Efforts to encourage the demand for broadband services continue by focusing on the aspect of awareness, content development and affordability.

Consequently, to increase public knowledge of broadband, various promotional activities were undertaken through awareness programmes and advertising on print and electronic media.

Promotion and awareness programmes have been organised continuously since 2010 to create public awareness on the importance of broadband. There were 6 *Karnival Jalur Lebar 1Malaysia* held throughout 2012 at locations where broadband penetration rate is below the national level. The programmes were held in Sabah, Pahang and Kelantan, covering Beaufort, Kota Belud, Sandakan, Keningau, Bentong and Jeli. The programmes were organised in collaboration with the Ministry of Information, Communications and Culture and supported by the service providers. In addition, awareness programmes were also intensified by collaborating with other ministries and agencies.

In order to create an IT-literate society especially in rural areas, ICT training workshops were organised to educate participants on leveraging ICT for learning and enhancement of their socio-economic standing. Online business has also been introduced to help local communities improve their socio-economic outlook.

The ICT training workshops were held in conjunction with the carnivals at P11M. The learning modules comprise basic knowledge of technology, computer maintenance skills and the use of social media. A total of 161,888 participants have attended the training programmes and received certificates of training in recognition.

The promotion programmes also involved the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) under the Prime Minister's Department to promote online services, with the participation of relevant agencies within its purview.



- Minister's Foreword
- Chairman's Message
- Commission Management
- Communications and Multimedia Statistical Review
- Broadband Management
- Infrastructure Development and Standards
- Monitoring and Enforcement
- Human Capital Management and Competency Development
- Statement of Financial Position
- Communications and Multimedia Statistics for 2012

Increase Broadband Take-Up

In order to increase the level of broadband take-up, the 1Malaysia Netbook programme was continued throughout year 2012. A total of 856,318 units of netbooks have been distributed to the students of low income families in rural areas. The distributed netbooks were bundled with broadband package at an affordable price.

1Malaysia Affordable Broadband Package was introduced in September 2012 with the aim to provide affordable broadband package to the low income group. The package was offered by 8 service providers which are Celcom, Maxis, Digi, UMobile, Packet 1, XOX, Telekom Malaysia and YES (YTL). The main focus of the promotion is for the rural communities in 5 states, which are Pahang, Kelantan, Sabah, Sarawak and Terengganu, with a price range of RM20 to RM25.

Economic Transformation Programme (ETP)

The Economic Transformation Programme (ETP), which was launched in October 2010, has continued to be carried out enthusiastically in 2012 through the 12 National Key Economic Areas (NKEAs) that have been identified as the driver of economic activity:

- i. Oil, Gas and Energy
- ii. Palm Oil and Rubber
- iii. Financial Services
- iv. Tourism
- v. Business Services
- vi. Electrical and Electronics
- vii. Wholesale and Retail
- viii. Education
- ix. Healthcare
- x. Communications Content & Infrastructure
- xi. Agriculture
- xii. Greater Kuala Lumpur/Klang Valley



NKEA CCI Achievement for the Year 2012

The National Key Economic Area (NKEA) Communications Content and Infrastructure (CCI) is led by a Steering Committee headed by the Minister of Information, Communications and Culture. It is assisted by the Operational Committee under the leadership of the Chairman of Malaysian Communications and Multimedia Commission (MCMC) and supported by the relevant Ministries and Government agencies.

In 2012, 6 new projects have been added under NKEA CCI along with the existing 56 projects running in 2011. This brings the total number to 62 projects monitored under NKEA CCI, as shown in Figure 4.

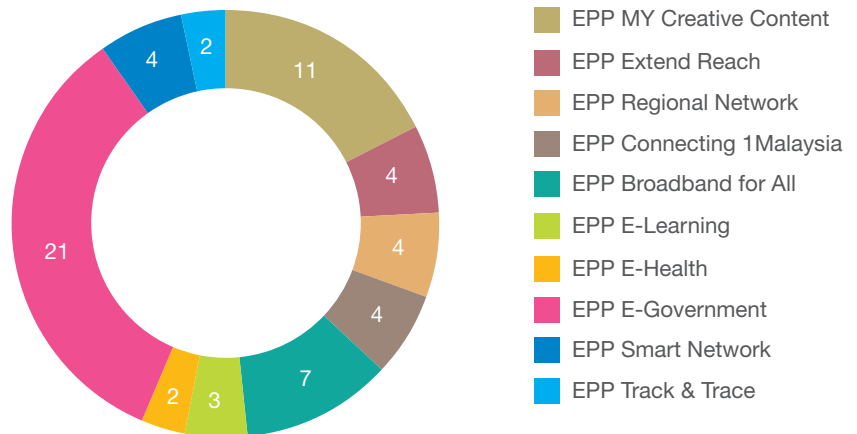


Figure 4 62 projects identified under NKEA CCI since 2010

The projects that were introduced in 2012 emphasised on online government services and on providing free and easy access for people to track public transport movement.

In 2012, NKEA CCI has targeted a total of RM29.8 billion contribution to the Gross National Income (GNI) and has achieved an impressive performance where the 62 projects have contributed RM30.7 billion or 103% of target achievement at the end of 2012.

From the 62 projects, 21 projects have been completed of which 18 projects were completed in 2012, namely:

1. Digital Live Transit TV – Asia Media
2. Funding Framework
3. 1Student/1Device
4. MyMeeting
5. ICT Security Compliance Scorecard
6. Service Intelligence
7. National Single Window – Ministry of Finance
8. *Perkongsian Maklumat Guru*
9. MyResearch
10. *Portal Jabatan Pembangunan Wanita (JPW)*
11. E-Rating
12. Wireless Network Initiative
13. Baseline exercise quarterly monitoring
14. Industry Guideline on Smart Network/Showcase
15. Self Regulatory Guideline on QoS
16. Batam-Dumai-Melaka Cable Network
17. TM NTT Cahaya Malaysia Cable Network
18. Swiftnest RFID Tracking



Based on the Key Performance Indicator (KPI) set for the year 2012, NKEA CCI have shown outstanding performance with 156% KPI achievement and ranks at the top among 11 other NKEAs, as shown in Table 2.

NKEA	KPI (%)	POSITION
Communications Content and Infrastructure	156%	1
Wholesale and Retail	156%	2
Agriculture	130 %	3
Education	121%	4
Oil, Gas and Energy	119%	5
Tourism	117%	6
Business Services	114%	7
Financial Services	111%	8
Greater Kuala Lumpur/Klang Valley	108%	9
Healthcare	105%	10
Palm Oil and Rubber	101%	11
Electrical and Electronics	90%	12

Table 2 Overall KPI achievement and ranking of NKEAs for the year 2012

The list of NKEA CCI achievement is as stated in Table 3 below:

EPP	KPI 2012	TARGET	ACHIEVEMENT	PERCENTAGE
MY Creative Content	Revenue of export from creative content (RM Million)	406	547.29	135%
	Number of hours of digitised content (Hour)	22,000	157,584	716%
Connecting 1Malaysia	Telepresence Sites/end points (Unit)	80	125	156%
E-Learning	Number of urban schools connected (Unit)	3,231	1,995	62%
	Number of non-urban schools connected (Unit)	3,978	1,233	31%
	Percentage of backhaul connectivity to school node using fibre (%)	30	31.65	106%
E-Healthcare	Health facilities connected with broadband (minimum of 2 Mbps) (Unit)	2,000	2,319	116%
	Health facilities using ICT systems (Unit)	1,000	1,254	125%
E-Government	Online services (%)	50	56.45	113%
	Agencies adopting Digital Document Management System (Unit)	2	2	100%
Broadband for All	Household broadband Penetration (%)	65	66	102%
Extend Reach	Number of program sites commissioned (Unit)	1,904	2,825	148%
Regional Network	Data-centre bandwidth revenue (RM Million)	300	436.93	146%
	Bandwidth wholesale price reduction (%)	10	18	180%
Track and Trace	Number of transaction being tracked using E-Tags (#)	66,000	64,629	98%

Table 3 List of NKEA CCI KPI achievements for the year 2012

Successful Projects Under NKEA CCI in Year 2012

NKEA CCI has recorded consistent growth based on the activities that have been planned by the government and the private sectors. In an effort to expose and inform the public on the success stories of NKEA CCI, the book entitled Performance 2012: The Economic Transformation Programme National Key Economic Area Content Communication and Infrastructure has been published.

Figure 5 The book on NKEA CCI success stories, Performance 2012: The Economic Transformation Programme National Key Economic Area Content Communication & Infrastructure



1. War of The Worlds: Goliath Film

NKEA CCI has contributed to the creation of the award-winning animation, War of The Worlds: Goliath. The animation, which in part benefited from the RM11 million worth of funding made available for CGI animations this year, managed to beat Madagascar 3D to be crowned as Best 3D Animated Feature Film at the Los Angeles 3D Film Festival.

2. Telepresence

The Telepresence sector marked a significant milestone in 2012, reaching a point where it can be industry-led, independent of Government involvement. The market has reacted positively to Telepresence facilities and services, boosted by the partnership between VADS Bhd, a leading managed ICT service provider owned by TM, and networking firm Cisco to build the Telepresence exchange network, establishing over 100 Telepresence sites across Malaysia.

3. Security and Trade Facilitation Using RFID

This project is for the monitoring of containers to facilitate clearance within domestic ports and selected high volume routes. This initiative is led by Smartag Solutions Berhad in collaboration with the Royal Malaysian Customs Department (JKDM) and MCMC. The transparency of the online tracking system also helps improve Malaysia's ranking within Transparency International and the World Bank's Competitiveness Indexes.

4. Pakej Mampu Milik Jalur Lebar 1Malaysia

In September 2012, the Pakej Mampu Milik Jalur Lebar 1Malaysia was launched to offer broadband packages from as low as RM20 per month in five states: Sabah, Sarawak, Kelantan, Terengganu and Pahang.



5. Healthnet Platform

This EPP is focused on upgrading the internet connectivity to 500 hospitals and 8,000 clinics, and providing five million patients with direct access to the system. In 2012, the EPP aimed to connect 2,000 health facilities nationwide. It has surpassed its target, with 2,319 healthcare institutions connected/upgraded to high-speed Internet (or 16% above target), while 1,254 facilities utilised the e-Healthcare network for various transactions during the period, 25% over the set target for 2012.

6. E-Government Online Services

This initiative is led by Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) and has identified more than 1,000 government agencies and branches with a total of more than 6,000 services available online.

MAMPU aims to provide more online Government services in collaborations with other ministries and agencies. Currently, more than 3,000 government applications are available online, in line with the goal of zero counter services by 2020.

7. Broadband for All

This EPP achieved a 66% broadband household penetration across the country in 2012, surpassing its target for the year and enabling the majority of citizens to enjoy the benefits of a fast Internet connection.

8. Extending Reach

As at end of 2012, a total of 287 PI1M have been established, 3,973 KTW have been implemented, 664 communications towers under T3 project have been built, and 10 sites for synergy of GTP/ETP have been identified.

9. Establishment of *Konsortium Rangkaian Serantau*

Konsortium Rangkaian Serantau has achieved an 18% reduction in bandwidth cost, while negotiations among the consortium members for financing of the undersea cable construction are ongoing.

10. Construction of Submarine Cable Network

The Batam-Dumai-Melaka Cable Network, which was completed in 2011, began operations in 2012, while the Cahaya Malaysia Cable Network to Japan was completed in August 2012. Additionally, the Cahaya Malaysia Cable Network to Hong Kong was completed in February 2013.



Content Development

MCMC Creative Industry Development Fund (MCMC-CIDF)

MCMC has allocated RM100 million to the MCMC-CIDF for a period of three years (2011-2013) for the development of content for TV, mobile and the Internet. The purpose of the fund is to develop the local creative content industry in line with the national policy objectives under the CMA, which targets Malaysia as a global content development hub.

The objective of the MCMC-CIDF is to facilitate and encourage Malaysian participation in the creation and publishing of multimedia content that has global value in creativity, originality and innovativeness. It is hoped that the MCMC incentive for development of the local creative content industry can further enhance the competitiveness of the national content industry as an economic growth area

Latest Development

For the period from January 2011 to December 2012, a total of RM40.5 million from the MCMC-CIDF was approved for the development of 87 projects and funding of 8 other projects of agencies under the Ministry of Information, Communications and Culture. Figure 6 shows the status of MCMC-CIDF projects for the year 2011 and 2012.

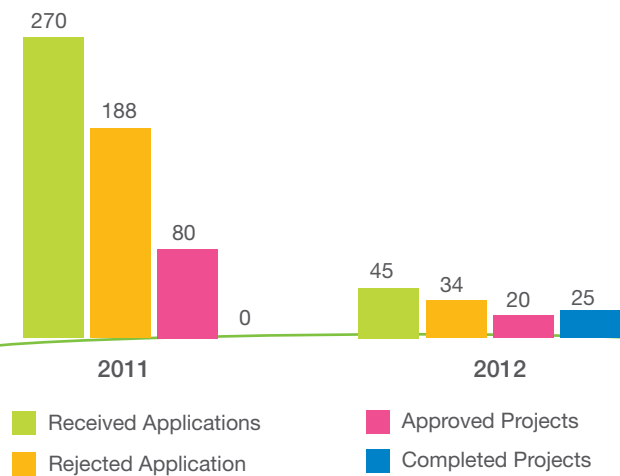


Figure 6 Status of MCMC-CIDF Projects

As at December 2012, a total of RM16.8 million was disbursed to MCMC-CIDF grantees based on the agreed milestones. The projects approved under the MCMC-CIDF comprise of projects in collaboration between MCMC and the agencies under the MICC; and also projects managed by the MCMC on its own. Highlights of these projects are as follows:

- Projects under MCMC-CIDF managed by MCMC
- Strategic Cooperation to Develop TVi Content (RTM)
- Special National Animation Programme
- Animation Content Programme (Cartoon) by companies attached to the Cartoonist at Work Consortium (CAW)
- National Reality Programme – *Sejarawan Muda*
- Other forms of Financial Assistance under MCMC-CIDF

Projects under MCMC-CIDF Managed by MCMC

Every application for the MCMC-CIDF is evaluated by the MCMC-CIDF Business and Technical Committee for business potential and technical angles. The Committee is responsible for evaluating and providing recommendations on each application at the Commission meeting.

The MCMC-CIDF Business and Technical Committee comprises of representatives from government agencies and Departments of the MICC, content experts appointed by local broadcast stations and telecommunications companies as well as other agencies with experience in the content industry.

As at December 2012, a total of 22 companies were approved to receive a total sum of RM12.05 million.

MCMC monitors the development of each project under the MCMC-CIDF through site visits and through dialogue with the companies concerned to assess the progress of each project at the MCMC-CIDF Business and Technical Committee Meeting held monthly. This is aimed at ensuring the development of quality content and to ensure each project meets the marketability requirements.

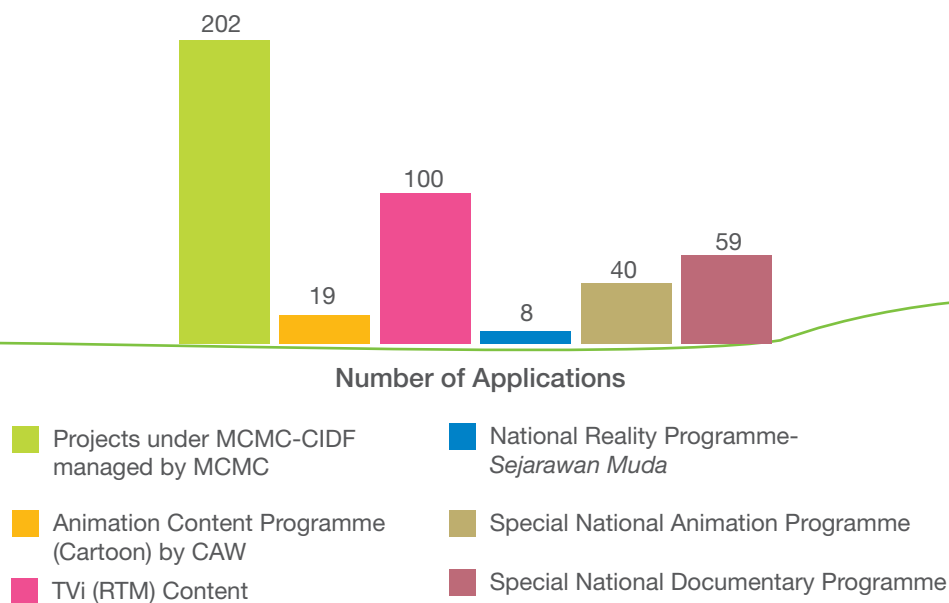


Figure 7 Number of Applications by Programmes

Strategic Cooperation to Develop TVi Content

The strategic cooperation between MCMC and RTM to develop content for the interactive TV channel (TVi) is a cooperation initiative between MCMC and agencies under the MICC. This strategic cooperation is for the development of content about Sabah and Sarawak, with a total allocation of RM10 million (RM5 million for each state).

The Strategic Cooperation Programme has provided for 26 companies to develop 30 content-related projects about Sabah and Sarawak for the TVi channel (15 projects for each state). The breakdown of the 30 projects is shown in Figure 8.

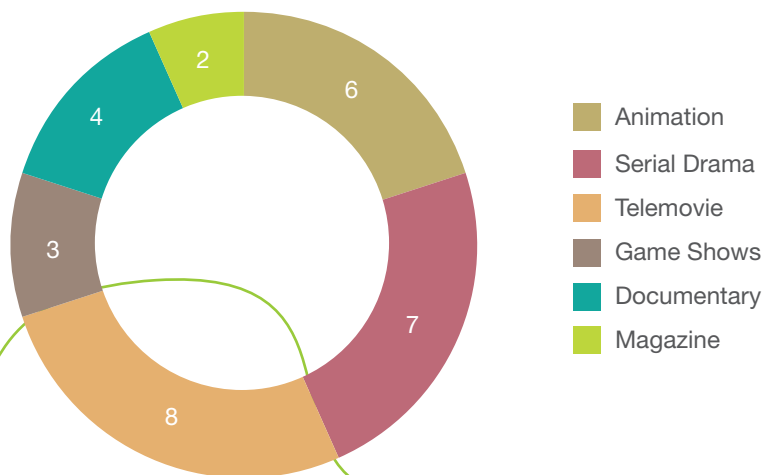


Figure 8 Breakdown of TVi Content

As at December 2012, a total of RM3.27 million was allocated for 15 projects on content about Sabah, while RM3.42 million was allocated for 15 projects on content about the state of Sarawak. Total allocation for this collaboration project was RM6.69 million out of the RM10 million budgeted.

Furthermore, out of the 30 projects for content on Sabah and Sarawak, 20 projects have been completed, with full disbursement of the allocated funds from MCMC. Another 10 projects are in production.

The TVi content in this strategic cooperation initiative is monitored for quality control by RTM whereas progress payments are made by MCMC upon written report from RTM on this matter.

Special National Animation Programme

The Special National Animation Programme is a Strategic Cooperation Project between MCMC and *Jabatan Filem Negara Malaysia (FNM)* to develop national interest animation content, each spanning 13 episodes x 30 minutes. A total of RM5 million have been allocated from the MCMC-CIDF for this project.

As many as 10 companies have been approved for this programme, with agreements signed between the 9 companies and MCMC on 26 April 2012. The remaining company, Aniotek Sdn Bhd, will sign the agreement after its animation project entitled *Lagenda Santubong* (13 episodes x 30 minutes) are accepted by the TVi Content Development Strategic Cooperation Programme.

As at December 2012, a total of RM2.15 million was disbursed to the 9 companies. Progress payments are to be made based on the achievement of agreed upon target milestones of each company.

Each of these companies under the programme are expected to provide a status report on their respective projects to a panel comprising representatives appointed by FNM, MDec, RTM, National Archives, Department of National Heritage and MCMC. This is to ensure that the animation content is of desired quality and reference materials for the animation series have been certified by the National Archives.

Animation Content Programme (Cartoon) by The Cartoonist at Work Consortium (CAW)

The development of local animation content (cartoons) have been offered to 7 companies for 7 projects with funding from MCMC-CIDF totalling RM5.07 million. The content of the stories must relate to the 1Malaysia concept of community and harmony, with comedic and conflict elements surrounding interesting happenings.

The agreements between MCMC and 6 companies were signed on 30 December 2011. One other company, Side FX Sdn Bhd, will sign the agreement after their animation project entitled G.E.N-X (13 episodes x 30 minutes) has received the grant from the TVi Content Development Strategic Cooperation Programme.

By December 2012, RM2.178 million has been disbursed to the 6 companies. Each company will receive progress payments after their respective milestones have been achieved as per agreement.

National Reality Programme – *Sejarawan Muda*

Sejarawan Muda (13 episodes x 60 minutes) is a quiz with the theme of History of Malaysia. This project is a strategic cooperation between MCMC and RTM on content development for TVi channel.

The quiz is published by Double U Network Sdn Bhd in collaboration with all universities in Malaysia, historians and experts in Malaysian history, The History Society of Malaysia and other government agencies under MICC.

This national reality programme seeks to nurture the national spirit. The programme is targeted at youths to improve their understanding of the history of our nation. The programme participants are youths and the questions highlights the history of Malaysia.

The quiz is aired on TVi channel (Astro 180) every Friday at 10pm beginning 7 September 2012. A sum of RM1 million has been disbursed to the company, which has successfully completed the 13 episodes, as agreed. This includes a cash prize of RM250,000 for the participants and winners.

Other Forms of Financial Assistance under MCMC-CIDF

For the purpose of increasing digitalisation, MCMC has provided RM500,000 in financial assistance to The National Visual Arts Gallery of Malaysia. Similarly, RM500,000 was granted to Kraftangan Malaysia to assist in developing the creative content industry.

Also, MCMC has provided RM150,000 in financial assistance to FINAS to produce a series of documentaries entitled Sanctuary of Faith (Temple, Mosque and Church) through Reel Networks Films Sdn Bhd.

Another RM1 million in financial assistance was allocated to FINAS to produce an animated fiction film through 2 companies, namely Redang Digital Sdn Bhd and Infinite Motion Sdn Bhd – each received RM500,000.

MCMC also allocated RM100,000 in financial assistance to RTM for an Art Competition Reality Programme entitled *Bakat 1*.

A sum of RM150,000 in financial assistance was provided to Les' Copaque Production Sdn Bhd to produce a TV programme (13 episodes x 45 minutes) in the form of a game show entitled *Detektif Upin & Ipin Dalam Kembara Warisan 1Malaysia*. The show was produced in cooperation with the Department of National Heritage.





MCMC Grant for Innovative, Creative Content and Applications (MaGICCA)

MaGICCA, a grant specifically for students of Institutions of Higher Learning (IHLs) to develop creative content of high quality and with high potential for commercialisation, was approved in 2011. For the first year of this grant, MCMC has allocated RM1 million to conduct a pilot project with Multimedia University (MMU). MCMC has signed a Memorandum of Understanding (MOU) with MMU in July 2012. To date, MCMC and MMU, with the assistance of experts from the industry, is in the process of selecting the projects that will receive the grants. MaGICCA will be extended to all IHLs in Malaysia by the following year once the pilot project bears fruit as targeted.

Capacity Building

Aside from monetary incentives, MCMC has a few initiatives in capacity building for content development, such as the Creative Teen Development Camp. This initiative by MCMC is to provide exposure to students on the opportunities in content development in Malaysia. The programme is a follow up from the *Pertandingan Liga Remaja Kreatif* held in 2010 and the *Pertandingan Mencipta Video Merdeka* held in 2011.

This Camp saw participation from 15 selected schools which were the winners in the above-mentioned competitions. As many as 60 students and 15 teachers attended the development camp.

For this programme, MCMC invited various speakers who have been active in the content development industry in Malaysia to share their experience and expertise with the participants.

There were also academic visits to various agencies and studios to provide the necessary exposure for the participants to understand the process of a production project as well as broadcasting activities in Malaysia.

Furthermore, MCMC also enlisted the cooperation of various external agencies such as The Association of Post Production and Animation Companies (POSTAM), to host the Seminar on Games and Mobile Apps held in October 2012 for industry developers. The seminar is amongst the efforts to encourage and increase the involvement of artists in the production of content that is competitive and marketable at home and abroad.

MCMC also hosted various programmes in cooperation with other agencies such as PROFIMA (*Persatuan Pekerja Professional Filem Malaysia*) on the PROFIMA Awards, *Festival Filem Kuala Lumpur Palestine* in February 2012, and the *Program Anda, PM and Kartun* in June 2012.

Exploring Overseas Markets

Aside from being a catalyst to the development of local content, MCMC takes the initiative to expand the local content export revenue through global market explorations together with other government agencies such as FINAS, MDeC and local companies. Such efforts bring local content to the international markets such as MIPTV, MIPCOM, Asia Media Summit, TIFFCOM and Asia Television Forum (ATF).

In April 2012, MCMC was one of the host agencies bringing Malaysian companies to MIPTV 2012 in Cannes, France, to market local content and seek partners at the international level. MIPTV is one of the events hosted by Reed MIDEM in Cannes. Cannes is the largest media marketing centre in the world for partnerships, buyers, sales, investment and distribution of content for all platforms. With 11,500 visitors and 4,000 companies and agencies from 100 countries in 2012, MIPTV is an event offering opportunities for local producers to meet and conclude business with buyers from the continents of Europe, America and Asia. The sales closed for Malaysian content was estimated at RM39.97 million.

Another project MCMC participated in was the MIPCOM 2012 held in October, also held in Cannes, France. MCMC shared the MIPCOM 2012 sponsorship with FINAS to bring local companies to the global market. As with MIPTV, MIPCOM also fosters partnerships, buyers, sellers, investments and distribution of content across all platforms. Total sale from this event was RM107.13 million.

Also in October 2012, MCMC explored the TIFFCOM 2012 in Tokyo, Japan to explore the market and resulted in local content sale of RM0.5 million.

Another global market exploration expedition was to Singapore's Asia Television Forum (ATF) 2012 was held in December 2012. Sale of local content in this market was RM9.26 million.

In summary, the sales transactions resulting from the international expeditions are as shown on Figure 9:

SALES TRANSACTIONS FOR LOCAL CONTENT FROM INTERNATIONAL EXPEDITIONS

Content Market	Sales Value (RM million)
MIPCOM	107.13
MIPTV	37.97
ATF	9.26
TIFFCOM	0.50
Total	154.86

Source: Various participating agencies, MCMC

Figure 9 Sales Transactions for Local Content from International Expeditions

The participation in and contribution from MCMC on the global market have once again borne fruit as in previous years. The total sales value in 2012 was RM154.86 million. This is expected to assist local companies to generate more revenue for the nation through sales of local content. This programme contributes directly to realising the NKEA and the National Policy Objectives for the communications and multimedia industry.

Content Policy and Regulatory

The Malaysia Content Definition Guidelines were approved by the Cabinet and was subsequently released to the content development industry in March 2012. The Guidelines provide guidance to the local content industry players, policy makers, broadcast companies and telecommunications companies in the development, expansion and monitoring of content in Malaysia.

The definition of scope encompasses various multimedia content including audio, video, analogue, networked and non-networked content.

JELAJAH AMAL MULTIMEDIA 2012



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"Menghubungkan
yang jauh,
merapatkan
yang dekat"

Inisiatif-inisiatif di bawah
Suruhanjaya Komunikasi dan Multimedia Malaysia

Liga Remaja
Kreatif

Go Digital



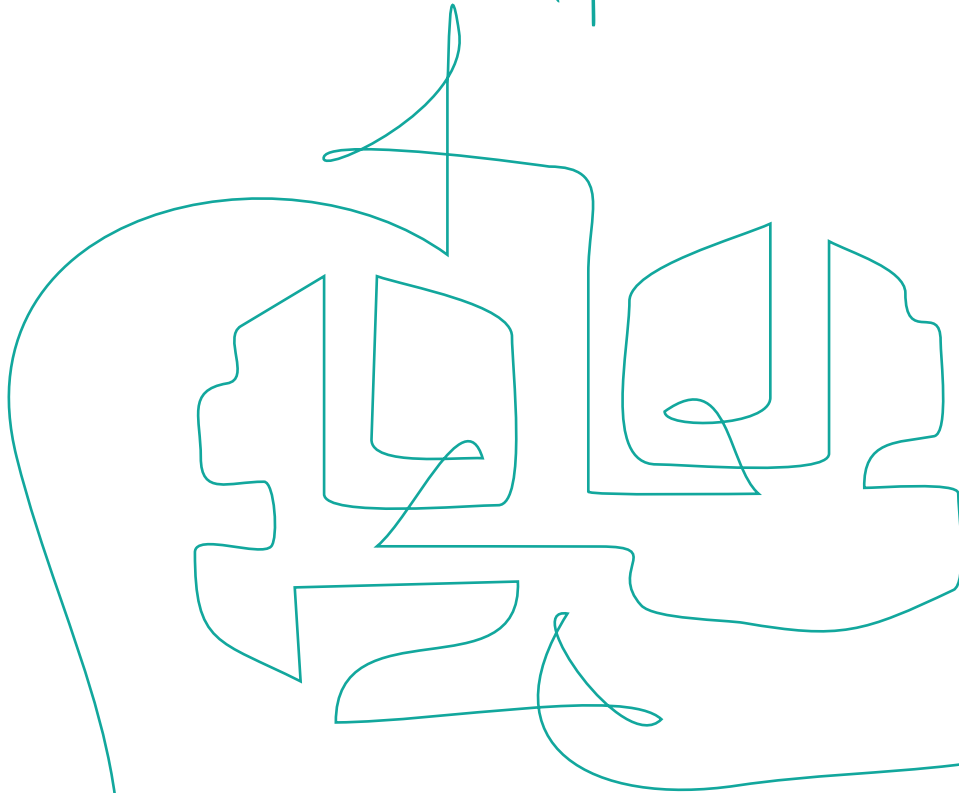
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Multimedia Charity Roadshow 2012
Kuala Selangor, Selangor

This programme was created to bridge the digital divide between urban and rural areas, for orphans and the poor in particular, and to share information on how to use the Internet safely and wisely. The aim of this programme is to ensure that the initiatives undertaken by MCMC are also enjoyed by the less fortunate and the needy.



Infrastructure Development and Standards



Strategic Trade and Technology

Malaysia Internet Exchange (MyIX)

The Malaysia Internet Exchange (MyIX), managed by Internet Operators Association of Malaysia, or better known as MyIX Association, is an association registered with the Malaysian Registrar of Societies (ROS).

MyIX has undergone positive development in terms of membership and broadband usage. 7 companies have become association members between January 2012 and December 2012, while one member has terminated its membership. A total of 56 entities have done traffic transfers in MyIX and MyIX records its highest reading at 25Gbps with maximum traffic in December 2012.

As of end of December 2012, MyIX nodes are as follows:

a) Central Node

- i. Cangkat Raja Chulan Tower
50200 Kuala Lumpur;
- ii. INTAC Building
Technology Park Malaysia
Bukit Jalil, 57000 Kuala Lumpur; and
- iii. CSF Computer Exchange
Jalan Teknokrat 6, 63000 Cyberjaya
Selangor

b) Penang Node

- i. Menara Suntech
@ Penang Cybercity
Jalan Lintang Mayang Pasir
11950 Pulau Pinang

c) Kuantan Node

- i. ICT HUB, Putra Square
Jalan Putra Square 4
25200 Kuantan
Pahang

d) Johor Node

- i. Menara Ansar
65, Jalan Trus
80000 Johor Bahru
Johor

e) Kuching Node

- i. Wisma SESCO
Jalan Bako, Petra Jaya
93673 Kuching
Sarawak

f) Kota Kinabalu Node

- i. Likas Square Commercial Centre
Jalan Istiadat
88400 Kota Kinabalu
Sabah

Membership growth trend and broadband usage is as tabulated in Figure 1.

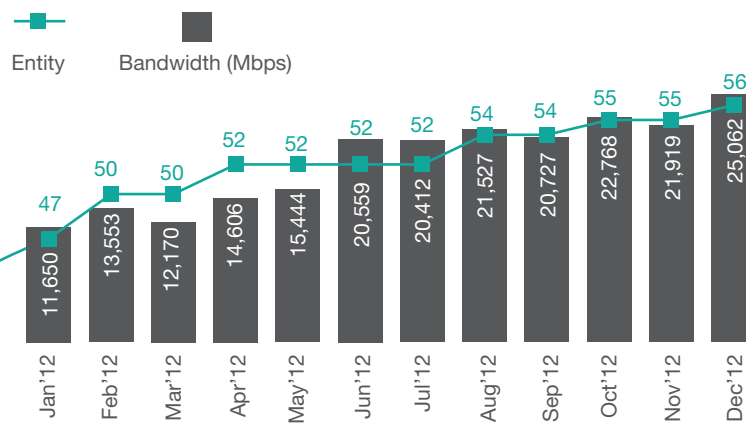


Figure 1 MyIX Growth Trend in 2012

Industry Technology Seminar

IEEE Lecture Series Programme

On 17 February 2012, MCMC collaborated with the Institute of Electrical and Electronics Engineers (IEEE) to organise the latest cellular technology seminar entitled “LTE Advance – Future Radio Access”. The technology that was categorised as the fourth generation cellular (4G) was presented by Dr Stefan Parkvall, one of the pioneers in High Speed Packet Access (HSPA) development technologies, Long Term Evolution (LTE) and LTE-Extended Access Radio. He is also a senior IEEE member. This seminar is also a part of the IEEE Distinguished Lecturer Programme, a continuation of the previous presentation in MiMOS, UniMAP and UTM. This seminar attracted more than 250 participants from the industrial sector.

Industry Talks

To further strengthen the knowledge of industries with up-to-date technology, MCMC organised a seminar on Cloud Computing on 5 April 2012. This seminar is a collaboration with the Malaysian Technical Standards Forum Berhad (MTSFB). This technology is about application usage and data storage in remote server without using sophisticated consumer equipment. This technology protects data and applications even when there is theft of consumer’s equipment.

MCMC organised another technology seminar entitled TV White Space on 14 June 2012. This technology applies the bandwidth not used by other services, such as broadband, for television broadcast. The use of this technology ensures that spectrum, a limited commodity, is utilised more efficiently.



Research Collaboration

Memorandum of Understanding (MoU) on Research and Development between MCMC and Universiti Teknologi Malaysia (UTM)

2012 marked this Memorandum of Understanding (MoU)'s second year of implementation since it was signed on 26 July 2011 in UTM, witnessed by the Minister of Information, Communications and Culture, Dato' Seri Utama Dr Rais Yatim. This MoU is for a period of 3 years.

Although it has been just a short while, the MoU has exhibited a few successes including the establishment of 4G Long Term Evolution (LTE) laboratory in UTM which costs RM1.5 million. With the establishment of this laboratory, 59 participants from this industry and within MCMC were able to attend this LTE course in 2012. Various research and developments (R&D) were also carried out in this laboratory such as a device combining LTE technology and WiFi. This MoU has also enabled the delivery of a variety of communications technology related courses in cooperation with the MCMC Academy. 144 participants have successfully completed the 8 communications technology related courses.

Research Collaboration with University Malaysia Perlis (UniMAP)

In 2012, a collaborative research on electromagnetic hypersensitivity (EHS) was conducted by MCMC and University Malaysia Perlis (UniMAP). This one year research was completed in December 2012. It involved the participation of 200 volunteers of various races and ages in Malaysia. These participants were exposed to a weak electromagnetic emission to find out if there is an effect or reaction as a result of this exposure.

Some volunteers were exposed to GSM900, GSM1800 and WCDMA2100 frequencies while the control group was not, and tested with several tests including Electroencephalogram (EEG), Cognitive Tests, Personal Well-being, EMF Perception and Physiological Study. Temperature, pulse and blood pressure of the volunteers were taken before, during and after the tests. Overall, there is no conclusive evidence from the study between weak electromagnetic exposure and its effects on human health.

Collaborative Research with Universiti Malaya (UM)

Another collaboration in 2012 was with University of Malaya on Electromagnetic Field Communication Risks. This two-year research started in January 2012 and is expected to be completed at the end of 2013.

This research studies the society's reaction to EMF issues reported in major local newspapers for the past few years. The purpose of this research was to find an effective solution to calm the public's anxiety regarding EMF emissions.

Strategic Trade Act 2010 (STA 2010)

Strategic Trade Act (STA) 2010 [Act 708] is the legislation that controls the export, transfer, transit and brokerage of strategic items and technology, including weapons and related materials, as well as activities supporting the formation, development, production and delivery of weapons of mass destruction, in line with Malaysia's responsibility for national security and international obligations. STA 2010 has been enforced since 1 January 2011.

Other Agencies

A Strategic Trade Controller was appointed to administer this Act, led by the Ministry of International Trade and Industry (MITI). In line with this effort, Strategic Trade Secretariat (STS) was established to implement this Act.

Other than MCMC, other licensing agencies involved are the Ministry of International Trade and Industry (MITI), the Atomic Energy Licensing Board (AELB) and the Pharmaceutical Services Division (PSD), Ministry of Health, Malaysia.

The enforcement agencies involved according to the Strategic Trade Act 2010 include:

- i. Royal Malaysian Customs;
- ii. Royal Malaysian Police;
- iii. Malaysian Maritime Enforcement Agency (MMEA); and
- iv. Malaysian Communications and Multimedia Commission (MCMC).

This act is also aided by:

- i. Attorney General's Chambers of Malaysia;
- ii. Ministry of Foreign Affairs;
- iii. Division of Disease Control, Ministry of Health Malaysia;
- iv. Ministry of Agriculture and Agro-Based Industry Malaysia; and
- v. Science and Technology Research Institute for Defence (STRIDE).



Strategic Items

Control of strategic items under STA 2010 refers to goods and technology included under the Strategic Trade (Strategic Items) Order 2010 categorised as follows:

CATEGORY	ITEM
Category ML	Military items
Category 0	Nuclear materials, facilities and equipment
Category 1	Special materials and related equipment
Category 2	Materials processing
Category 3	Electronics
Category 4	Computers
Category 5	Telecommunications and “Information Security”
Category 6	Sensors and lasers
Category 7	Navigation and avionics
Category 8	Marine
Category 9	Aerospace and propulsion

*MCMC is accountable for control of strategic items under Category 4 and 5.

Table 1 Control of strategic items by category

STA Permit Applications for Category 4 and 5

Since taking over from MITI on 16 February 2012, as many as 704 online permit applications were received for Category 4 (Computer) and Category 5 (Telecommunications and “Information Security”). Out of 704 applications, 600 permits were issued and 104 applications were rejected due to incomplete and inaccurate information.

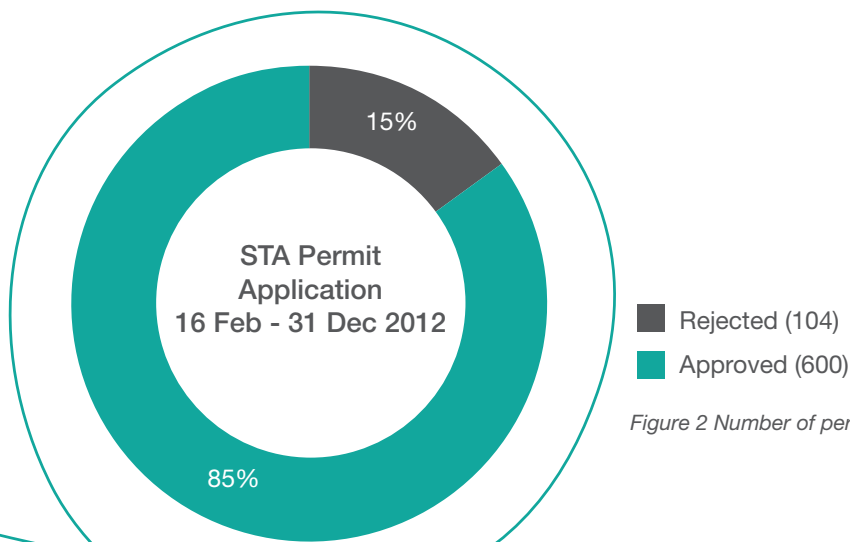


Figure 2 Number of permit applications in 2012

Audit Implementation for Permit Holders/Certificate Brokers under STA 2010

In July 2012, together with other agencies' cooperation, MCMC implemented permit/certificate auditing on companies that were shortlisted based on permits/certificates issued in 2011. Led by STS with the support of technical bodies and STA licensing agencies, this is the first audit carried out since STA's enforcement on 1 January 2011.

Amendment in Strategic Items List

On 14 and 15 June 2012, MCMC organised a workshop to discuss amendments in the Strategic Trade (Strategic Items) Order 2010. Various agencies under STA 2010 participated in this workshop which is a follow up of the amendments by the European Union. The proposed amendments are in the process of being gazetted by the Attorney General's Chambers.

Standards Development

Certification Programmes

Certification programmes by MCMC is subject to Communications and Multimedia (Technical Standards) Regulations 2000. Section 186 of the Communications and Multimedia Act 1998 (CMA 98) allocates methods to appoint a Registered Certifying Agency to carry out certification programmes on behalf of MCMC. As of 31 December 2012, 4 public organisations were appointed as MCMC Registered Certifying Agencies:

ORGANISATION	REGISTRATION CATEGORY	APPOINTMENT DATE
SIRIM QAS International Sdn Bhd (SQASI)	Certification of Communications Equipment	3 Sep 2003
Akademi Laut Malaysia (ALAM)	Certification of competence in skill areas designated for radio operator (Maritime)	3 Sep 2003
Kolej Multimedia (MMC); formerly known as Kolej Latihan Telekom	Certification of competence in skill areas designated for other than radio operator (Cabling Provider)	15 Jul 2002
Universiti Malaysia Terengganu (UMT)	Certification of competence in skill areas designated for radio operator (Maritime)	1 Mar 2011

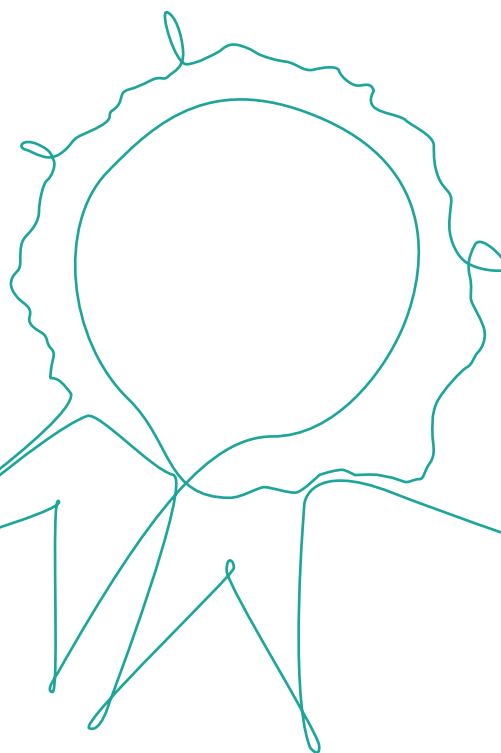
Table 2 List of MCMC Registered Certifying Agencies

MCMC also handles its own certification programmes for Class A and Class B amateur radio operators competency certification in fixed skilled areas.

The number of certifications that were issued in 2012 by MCMC and the MCMC Registered Certifying Agencies are as follows.

CERTIFYING AGENCY	CATEGORY	NO. OF CERTIFICATIONS ISSUED
MCMC	a) Amateur Radio Operator (Class A)	44
	b) Amateur Radio Operator (Class B)	1,616
	Total	1,660
SQASI	a) Communications Equipment (Telephony)	222
	b) Communications Equipment (Radio)	2,123
	Total	2,345
ALAM	a) General Operator Certification (GOC)	836
	b) Restricted Operator Certification (ROC)	169
	Total	1,005
MMC	a) Cabling Provider (New Issuance)	4,579
	b) Cabling Provider (Renewal)	902
	Total	5,481
UMT	a) General Operator Certification (GOC)	14
	Total	14
GRAND TOTAL		10,505

Table 3 Number of registered certifications in year 2012



Standards Development

In accordance with the Communications and Multimedia Act 1998 (CMA 1998), MCMC has appointed Malaysian Technical Standards Forum Berhad (MTSFB) as MCMC's Industry Forum effective 27 October 2004. Through this appointment, MTSFB is responsible for the development of Technical Codes covering inter-operability and security aspects of network facilities to be registered under the CMA 1998.

MTSFB has successfully developed and submitted 8 technical codes to MCMC's to be registered as Voluntary Industry Code as allocated under Section 95 CMA 1998. Details of documents are as follows:

NO.	DOCUMENT TITLE
1.	MCMC MTSFB TC G001:2013 - Compression Table of Service Information (SI) Descriptions for Digital Terrestrial Television Broadcast Service
2.	MCMC MTSFB TC G002:2013 - Middleware Profile for Digital Terrestrial Television Broadcast Service
3.	MCMC MTSFB TC T001:2013 - Specification for Terminal Equipment Connecting to the Public Switched Telephone Network (PSTN)
4.	MCMC MTSFB TC T002:2013 - Specification for Analogue Calling Line Identity Presentation (A-CLIP) Facility for Technical Specification for Connection to PSTN
5.	MCMC MTSFB TC T003:2013 - Specification for Private Automatic Branch Exchange (PABX) System for Connection to PSTN
6.	MCMC MTSFB TC T004:2013 - Specification for Digital Terrestrial Television Broadcast Service Receiver
7.	MCMC MTSFB TC T005:2013 - Specification for Direct to Home (DTH) Satellite Broadcast Receiving Antenna
8.	MCMC MTSFB TC T006:2013 - Specification for Direct to Home (DTH) Satellite Broadcast Receiver (DTH Set Top Box)

Table 4 Technical Codes developed by MTSFB in year 2012

All the above Technical Codes were received and their registration approved by the Commission Members on 31 January 2013 and listed in MCMC's Industry Code Registry.



Organised Seminars

In 2012, 4 compliance seminars were successfully organised. The seminars were organised in collaboration with SIRIM QAS International Sdn Bhd (SQASI), which also an MCMC Registered Certifying Agency. The seminars were entitle, Communications Equipment under the Communications and Multimedia Act 1998.

The objective of seminar was to create awareness and inform participants who were largely manufacturers, importers, distributors and consumers of communications equipment of legal requirements relating to the importation, marketing and operation of communications equipment under the provisions of the CMA 1998. The topics highlighted include the aspects of the certification requirements (compliance with the technical codes) and apparatus assignment for operating a communications equipment.

The information on seminars organised are as follows:

DATE	VENUE
25 April 2012	Vistana Hotel, Kuantan (Eastern Territory)
29 May 2012	Sutera Harbour, Kota Kinabalu (Sabah & Sarawak Territory)
11 July 2012	Sunway Hotel, Seberang Jaya, Pulau Pinang (Western Territory)
25 September 2012	Crystal Crown Hotel, Johor Bahru, Johor (Southern Territory)

Table 5 Seminars held by MCMC on standards development in 2012

Market Surveillance

MCMC has also successfully carried out Market Surveillance Programme for communications equipment from early January to end of July 2012. MCMC was assisted by the SIRIM QAS International Sdn Bhd (SQASI) team in implementing the programme that aims to protect consumers by ensuring communications equipment in the market always adhere to the legal technical codes and are safe to be used.

The Government policy in liberasing the communications equipment market makes it easier for overseas communications equipment to enter the domestic market. Therefore, an effective and continuous Market Surveillance Programme must to be put in place to regulate the market so that only legitimate communications equipment are brought in and only those which complied with the standards can be made available market.

120 samples consisting of communications equipment from 19 categories including handphones, Bluetooth tools, WiFi, Walkie Talkie, Short Range Devices, Single Line Telephones, Facsimile and ADSL Modems were assessed in this programme. The samples were evaluated and tested as required under the standards programme and the results are as follows:

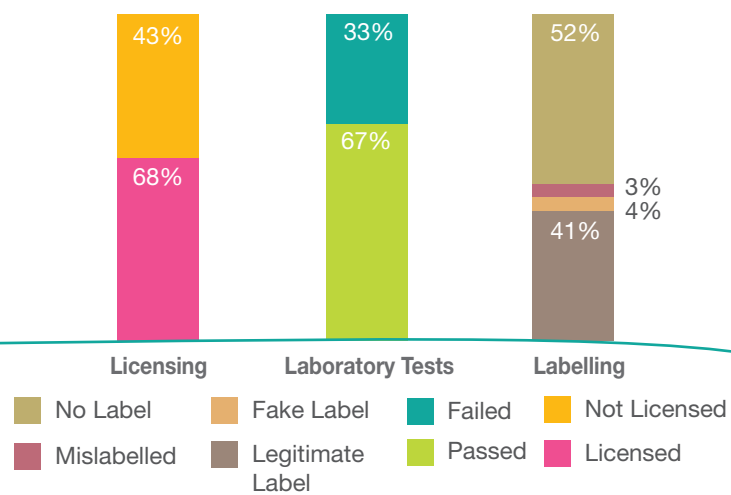


Figure 3 Results of communications equipment test samples under the Market Surveillance Programme

	*LICENSED	**NOT LICENSED	PASSED	FAILED	LEGITIMATE LABEL	FAKE LABEL	MISLABELLED	NO LABEL
Licensing	68 (57%)	52 (43%)	-	-	-	-	-	-
Laboratory Tests	-	-	80 (67%)	40 (33%)	-	-	-	-
Labelling	-	-	-	-	49 (41%)	5 (4%)	4 (3%)	62 (52%)

Note:
 * Sample model is under Sirim QAS International Sdn Bhd (SQASI)'s database of certified models.
 ** Sample model is not found under Sirim QAS International Sdn Bhd (SQASI)'s database of certified models.

Table 6 Statistics of test and assessment results of the communications equipment sample under the Market Surveillance Programme

The appropriate actions have been identified and several improvement measures were taken against parties who failed to comply with the CMA 98 requirements and the regulations therein. This programme has been instrumental as a monitoring mechanism in ensuring the communications equipment standards continuity in the market and maintain consumer confidence with the existence of a compliance testing system such as this one.

Infrastructure and Network Planning

EPP7 – Broadband for All

EPP7 Broadband for All is among the 10 Entry Point Projects (EPP) that was developed across NKEA CCI. To spur EPP, a working group known as Wireless and Regulatory Network Initiative Working Group (WRNI) is accountable for the EPP progress monitoring through monthly industry meetings. There are 4 focus groups under WRNI that carries out various projects according to their areas of expertise such as Policies and Guidelines, National Network Database, Industry Planning and Network Access.

Policy and Guidelines Focus Group (PGFG)

Connected@Cities project has recorded an extraordinary achievement where almost all states have committed to implement Connected@Cities except Selangor & Sarawak. DBKL has implemented Connected@Cities through coordination PGFG with the approved requirements of Uniform Building by-laws (UBBL). Apart from that, PGFG has identified four (4) guidelines/ technique codes as follows:

- i. *Pindaan Garis Panduan Laluan Kemudahan Utiliti*
 - completed, submitted to JPBD and gazetted.
- ii. *Garis Panduan Tapak Infrastruktur dan Utiliti*
 - completed and submitted to JPBD.
- iii. *Pindaan Garis Panduan Pembinaan Menara dan Struktur Pemancar Komunikasi (KPKT2002)*
 - in progress.
- iv. Technical Codes of Practice
 - in progress.

Industry Planning Focus Group (IPFG)

Traffic Light Model (TLM) project was finalised and presented in a few ExCo meetings for network planning and site selection process purposes. This model will facilitate the identification of a new site by the industry and local authorities. Prior to this, IPFG developed an SOPP for handling complaints on communication towers and structures. The industry is also required to submit a network launch plan to be entered into CIMS system.

Network Access Focus Group (NAFG)

Two major projects specially to control access to tower and feasibility studies to increase access to Poles, Ducts and Manholes (PDM) were identified by NAFG. Control of access to towers were completed end of 2012. The PDM access study report is under review again before it is presented for the approval of WRNI and subsequently by MCMC.



National Network Database (NND)

National Network Database (NND) was established to support and facilitate daily and periodic activities of MCMC and the industry. It collects and updates infrastructure network information that were implemented in this country for record purposes, analyses and plans, NND can also be the information reference point for MCMC and the Ministry for early Infrastructure Sharing studies, Common Ducting and Domestic Roaming. It also provides information on fibre optics, microwave network and switch exchanges.

Geographical Information System (GIS) function is entered at NND to enable and facilitate users to view and analyse information on:

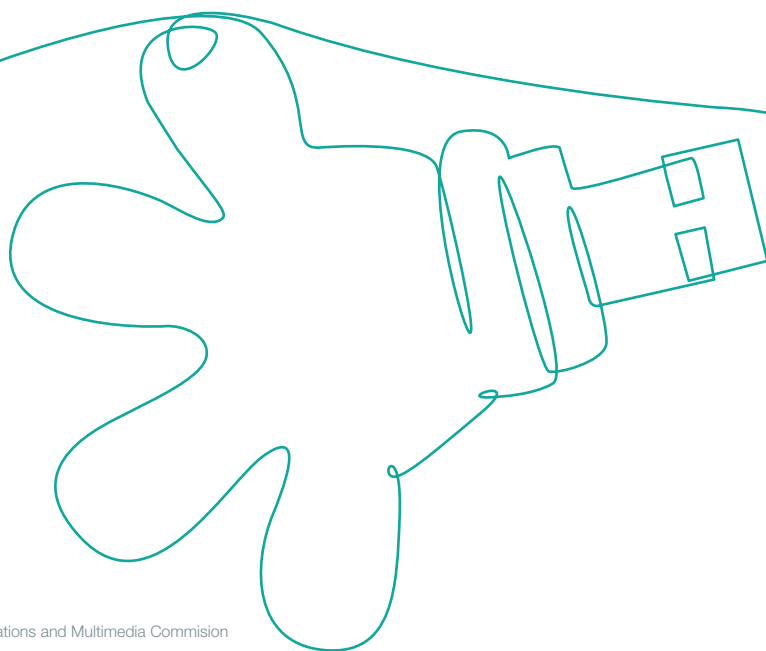
- i. Fibre optic routes, node locations (DSLAM, BRAS), capacity and usage, among others;
- ii. Wireless infrastructure; and
- iii. Ground stations, switch stations, cable landing stations and others.

Communication Infrastructure Management System (CIMS) was developed by MCMC for the purpose of self-management of the industry's online information at the National Network Database (NND). The series of CIMS usage training that were held in early 2012 was attended by postal and courier service providers, as well as various Federal and State government department representatives.

There were 14,826 wireless communications infrastructure data uploaded in CIMS as of year end 2012. The categorisation is as below:

CATEGORY	TOTAL
Tower	7,733
Roof top	5,844
Dual-function	916
Temporary tower	127
In building	206
Grand Total	14,826

Table 7 Data of wireless communication infrastructure uploaded in CIMS in year 2012.





World Bank Report

Based on the World Bank Report “Doing Business 2012 Report”, Malaysia is ranked 113 out of 183 countries for the benchmark “Dealing with Construction Permits”. Coordination between Kuala Lumpur City Hall (DBKL) technical departments and external technical agencies including MCMC has reduced the number of procedures and the time taken to obtain the necessary approvals.

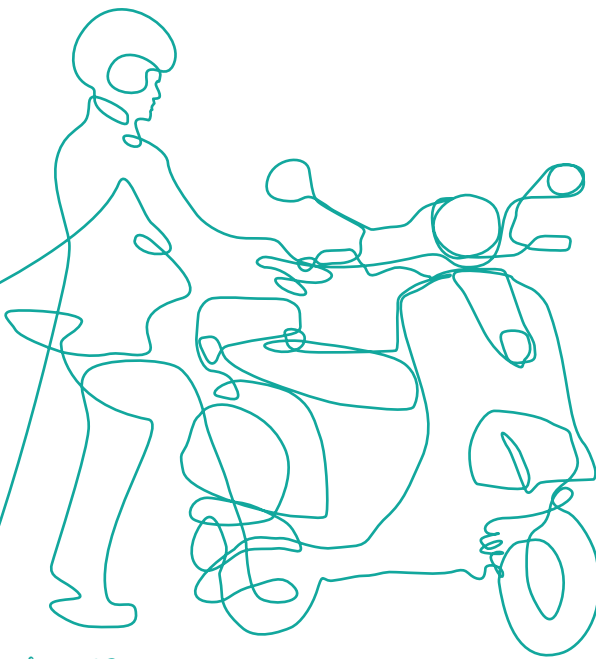
The Focus Group for Dealing the Construction Permit (FGDCP) conducted a comprehensive study to identify regulatory and non-regulatory options that could lessen the burden of the business community when dealing with construction permits. OSC1 submission is identified as a special route to obtain approvals that require only 10 procedures and 100 days processing time compared to the previous 37 procedures and 140 days.

Stakeholders Management on Non-Ionising Radiation Issue

MCMC has been involved in 2 different EMF testing in Kota Kemuning and Seputeh to monitor the RF tests conducted by the Malaysian Nuclear Agency (ANM). Prior to that, the ANM was appointed to carry out testing of EMF at 135 sites in selected locations in Kuala Lumpur, Selangor, Melaka, Johor and Negeri Sembilan.

Other than that, MCMC organised an MCMC EMF Communication Risk Workshop for stakeholders and government agencies on non-ionising radiation. The workshop was held at the Avillion Port Dickson on 12 and 13 March 2012 with the participation of organisations from diverse backgrounds such as the Ministry of Health, local authorities, academic and industry. Among the matters discussed were EMF classification as Class B carcinogens from the World Health Organisation (WHO), management of risk communication, and recommendations for network fibering initiatives in the future.

Another risk communication workshop was organised by Universiti Malaya and MCMC on 15 and 16 May 2012 to further strengthen risk communication skills in the industry with excellent training courses. The course was conducted by Ray Kemp Consulting Limited.



Quality of Service

MCMC is responsible for cellular coverage issues and service quality improvement plan. In 2012, a meeting was held between mobile service providers and providers of other facilities such as Verticom, Asiaspace, PIN and many others to solve the issue of nationwide coverage. This platform also serves as a meeting place for the industry to develop a master plan launch, where several projects were initiated and resolved through this meeting such as MEX highway (route protocol), Pulau Payar, Subang Airport, Ampang Hospital, Angkasapuri, Setiawan and many others. There were also more than 40 locations identified and discussed in regular meetings to improve coverage. These efforts have improved coverage and service quality through the addition of new communications towers, the introduction of repeaters, network optimisation and frequent re-engineering activities.

In certain cases where the acquisition of the site is difficult, MCMC will assist the industry to issue a letter of support to the relevant stakeholders such as LLM, PLUS, the National Museum and others.

Cellular Network Services Quality Testing

The following tables show the performance of the cellular service providers in terms of dropped calls based on the evaluation carried out by network testing in selected areas in June 2012.

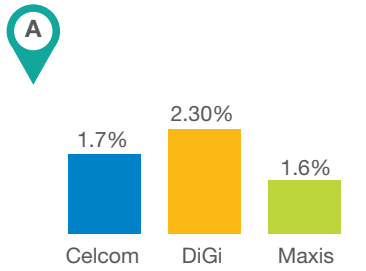


Figure 4 Dropped Calls Rate for Kuala Lumpur in June 2012

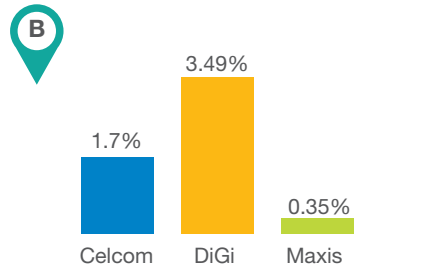


Figure 5 Dropped Calls Rate for Klang Valley Expressway in June 2012

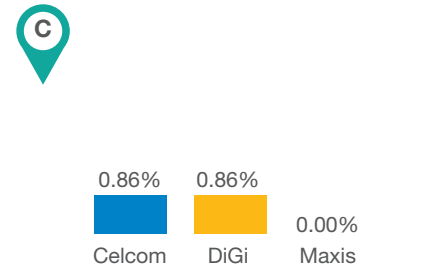


Figure 6 Dropped Calls Rate for Kangar in June 2012

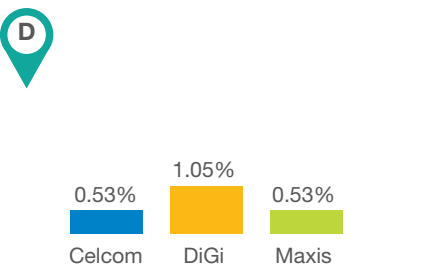


Figure 7 Dropped Calls Rate for Alor Setar in June 2012

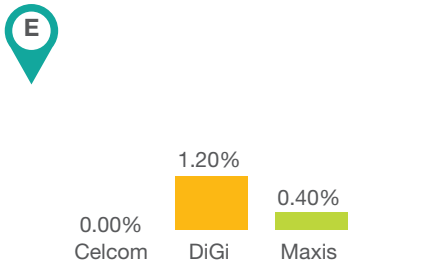


Figure 8 Dropped Calls Rate for Ipoh in June 2012

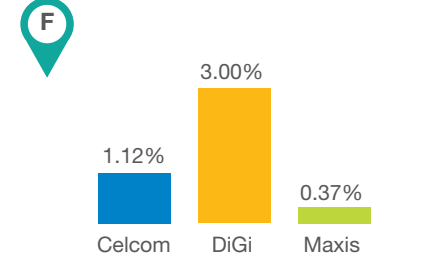


Figure 9 Dropped Calls Rate on the PLUS Highway (North) in June 2012

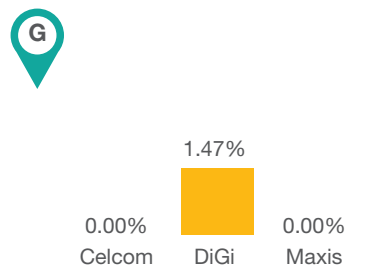


Figure 10 Dropped Calls Rate for Johor Bahru in June 2012



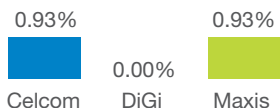


Figure 11 Dropped Calls Rate on the PLUS Highway (South) in June 2012

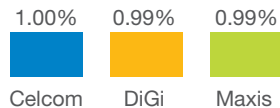


Figure 12 Dropped Calls Rate on the East Coast Expressway and Karak Expressway in June 2012

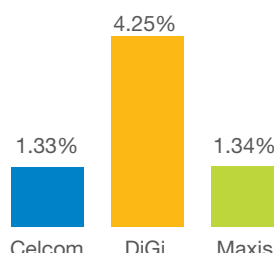


Figure 13 Dropped Calls Rate for Federal Road 3 in June 2012

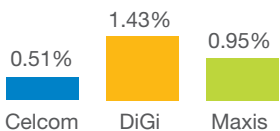


Figure 14 Dropped Calls Rate for Kuala Lumpur in June 2012

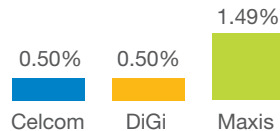


Figure 15 Dropped Calls Rate for Kota Bharu in June 2012

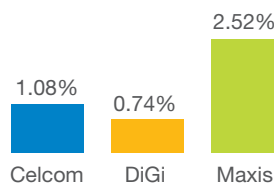


Figure 16 Dropped Calls Rate for Kuantan in June 2012

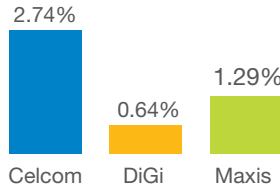


Figure 17 Dropped Call Rate for Kuching in June 2012

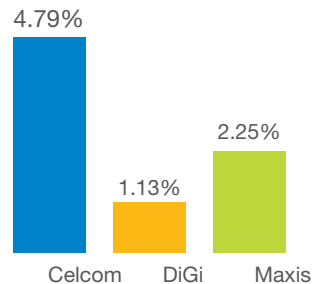


Figure 18 Dropped Calls Rate for Kota Kinabalu in June 2012



Broadband Access Service Network Testing

Testing of Broadband Access Service networks have been conducted on both wired and wireless services to measure performance based on the Determination on the Mandatory Standards for Quality of Service (Broadband Access Service) Determination No.1 of 2007 (for wired broadband) and reference to the KPI Minister 2012 (for wireless broadband). The evaluation was carried out in the Klang Valley, Kuantan and Kuala Lumpur from 22 November 2012 to 13 December 2012.

The table below shows the broadband services throughput performance for wired broadband services:

SERVICE PROVIDERS	SERVICE TYPE	AVERAGE THROUGHPUT RATE BASED ON BANDWIDTH SUBSCRIPTION (%)
TM	Wired	88.30%
MAXIS		78.03%
TIME		84.15%

Table 8 Broadband services throughput performance for wired broadband services in 2012

The table below shows the broadband services throughput performance for wireless broadband services:

SERVICE PROVIDERS	SERVICE TYPE	ADVERTISED BANDWIDTH (MBPS)	AVERAGE THROUGHPUT RATE BASED ON ADVERTISED BANDWIDTH (%)
MAXIS	Wireless	7.2	32.84%
CELCOM		7.2	50.24%
DIGI		0.7	92.27%
U-MOBILE		7.2	33.40%
YES		20.0	12.43%
P1		4.0	46.08%

Table 9 Broadband services throughput performance for wireless broadband services in 2012



Spectrum and Numbering Planning

Spectrum Planning

Spectrum resources is a national asset managed by MCMC based on the provisions of the Communications and Multimedia Act 1998 and the Communications and Multimedia (Spectrum) Regulations 2000. Spectrum management in general includes activities such as:

- i. Spectrum allocation which is divided into 3 main categories, i.e. spectrum, apparatus and class;
- ii. Technical coordination with neighboring and international countries;
- iii. Bilateral coordination at the domestic level between the Government agencies and MCMC; and
- iv. Spectrum allocation and utilisation policy such as Spectrum Plan and Standard Radio System Plan (SRSP).

Activities During the Year 2012

Radio frequency spectrum involves coordination with international parties and the International Telecommunication Union (ITU), including coordination on space satellite systems and terrestrial systems. These activities are in accordance with the terms of the Radio Regulations (RR) and ITU, which is the international regulations prescribing the use of international frequencies worldwide.

Among the activities organised throughout 2012 are:

Space Satellite System

Providing information in response to request to carry out Satellite Coordination and for frequency interference published weekly by the ITU. During 2012, the response to exercise satellite coordination and notification of frequency interference was processed to inform the relevant countries where there were frequency interference. Coordination between countries on a bilateral basis was carried out to reach an agreement to ensure that the relevant satellite network can share frequencies without causing interference with each other.



Satellite Coordination Meeting

Satellite Coordination is the process by which the use of any frequency at an orbital position requires coordination with nearby satellites using the same frequency in line with the rules and regulations set by each administration in determining zero frequency interference.

This Coordination Rule is in conformity with the resolutions agreed at the ITU level. Coordination is carried out to solve frequency interference between related parties amongst other countries. In 2012, a total of 4 satellite coordination meetings were successfully carried out as in the following table.

2012	ADMINISTRATION
April	Korea
September	Nigeria
October	Rusia
November	France

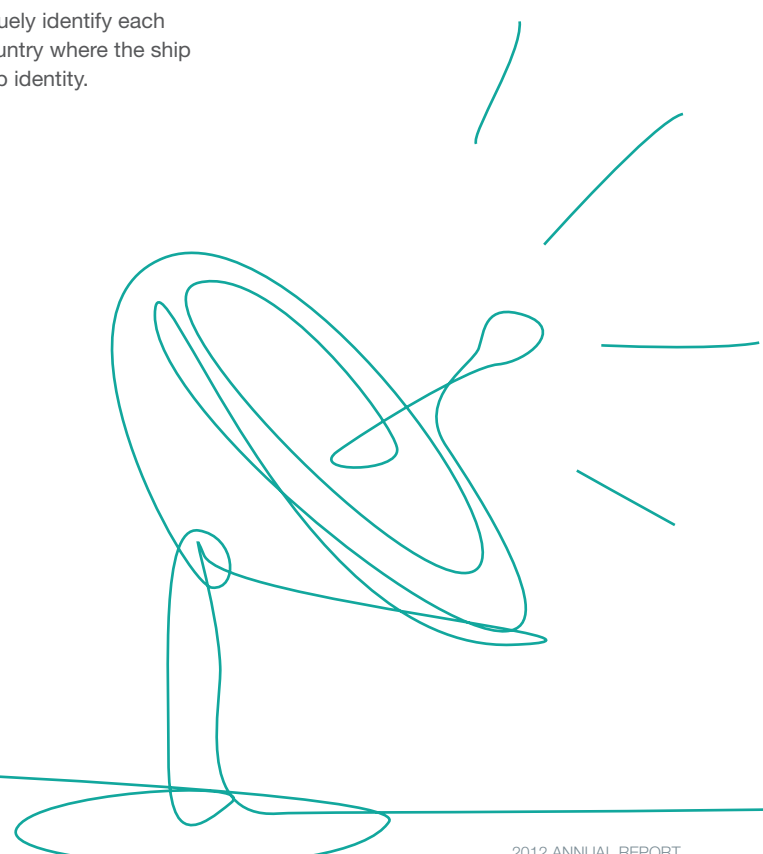
Table 1 Satellite Coordination Meeting

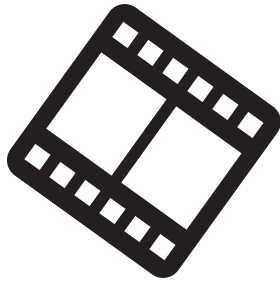
Registration of Maritime Mobile Service Identity (MMSI) Number to ITU

Maritime Mobile Access and Tracking System is a system that collects information or data for all vessels registered from all over the world and it can be accessed by maritime users for review and sharing of information that can be accessed directly.

The system is provided for the purpose of supporting the activities of the Global Maritime Distress and Safety System (GMDSS). It will be beneficial for the user to identify the vessel's relevant safety standards as well as additional information related to a ship.

MMSI is a number consisting of 9 digits with its own purpose to uniquely identify each ship in the maritime mobile service. The first 3 digits identifies the country where the ship registers its licence, followed by the next 6 digits assigned as the ship identity.





World Radiocommunication Conference 2012 (WRC 2012) and the National Preparatory Working Group for WRC 2012 (NPWG WRC 2012)

World Radiocommunication Conference (WRC) is a conference under the auspices of the United Nations to discuss and coordinate the allocation of radio frequencies worldwide. It is held every 3 or 4 years to consider and make changes in RR at ITU level. RR also sets the allocation and use of frequencies around the world.

MCMC is responsible for coordinating input from the industry and subsequently summarising Malaysia's views on each identified WRC agenda. Input from the industry is obtained through the establishment of a national working group or National Preparatory Working Group (NPWG). Membership of the working group consists of representatives from MCMC, the Ministry of Defence, Royal Malaysian Police, Civil Aviation Department and the relevant licence holder of the communications and multimedia sector and other stakeholders such as the Malaysian Amateur Radio Association (MARTS).

In general, the involvement of MCMC are as follows:

- i. Providing motions and proposals for the formulation of views for Malaysia on the agenda of WRC 2012 at the Asia-Pacific Telecommunity Preparatory Group (APG); and
- ii. Participating in the APG meeting to ensure Malaysia's views are taken into consideration.

In late January 2012, MCMC together with representatives from the industry, attended and gave input at the WRC 2012 held for a month in Geneva, Switzerland. The conference discussed issues related to:

- i. Allocation of spectrum for maritime transportation, aviation, and scientific studies related to the environment and disaster prediction;
- ii. Management of satellite orbit and related spectrum resources; and
- iii. Tabulation of new agenda for WRC 2015 such as additional research in allocation of spectrum for IMT system, study on bandwidth requirements for public safety purposes, and study on digital dividend allocation for mobile services.

Technical Coordination between Country Borders

Technical coordination in border areas is essential to ensure a more efficient use of frequencies and also to overcome the problem of interference. Coordination is handled according to specifications and regulations set at the domestic level as well as international.

There are 4 coordination platforms established to address the use of radio spectrum in border areas, namely:

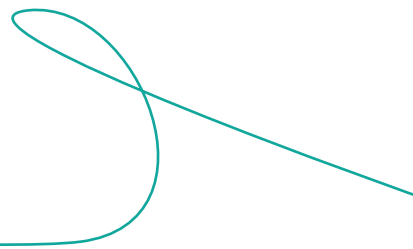
- i. Frequency Assignment and Allotment Coordination between Singapore, Malaysia, Armed Forces and Brunei (FACSMAB);
- ii. Joint Technical Committee between Malaysia-Thailand (JTC);
- iii. Joint Committee on Communications between Malaysia-Indonesia (JCC);
- iv. Trilateral Coordination Meeting between Indonesia, Malaysia and Singapore.

Among the main activities covered by the above committees are related to determining the distance of coordination zone involved, coordination of radio spectrum planning, frequency usage registration in border areas and settlement of frequency interference in that area.

At the same time, the registration of the use of radio frequencies to ITU are also implemented to protect the use of frequencies in Malaysia, especially in the area of the international border.

Four Coordination Platforms

- I. Frequency Assignment & Allotment Coordination between Singapore, Malaysia, Armed Forces and Brunei (FACSMAB)
 - A total of 11 FACSMAB meetings were successfully held from January to December 2012 and 1 FACSMAB Review Meeting was held in April 2012 in Kuala Lumpur, Malaysia. The meeting succeeded in resolving some outstanding issues involving the use of frequencies in the border areas of Malaysia, Singapore and Brunei.
 - The meeting consisted of representatives from the communications authorities of their respective countries as MCMC, IDA and AITI and Armed Forces from all three countries.
 - This meeting served as a platform for discussion on frequency registration that took place.



II. Joint Technical Committee between Malaysia-Thailand (JTC)

- Throughout 2012, 2 meetings of the JTC Committee was held in March 2012 in Penang, Malaysia, followed by a meeting in November 2012 in Chiang Mai, Thailand.
- The meeting succeeded in resolving outstanding issues related to the use of frequencies in the border of Malaysia and Thailand.
- The meeting consisted of representatives from the communications authorities of their respective countries such as MCMC, NBTC and a few radio communication operators, and relevant government agencies from both countries.
- This meeting was also a platform where discussions on frequency registration took place.

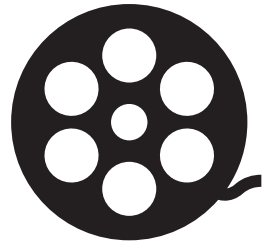
III. Joint Committee on Communications between Malaysia-Indonesia (JCC)

- Throughout 2012, the JCC meeting was held once in the month of October in Langkawi, Malaysia.
- The meeting was successful in resolving some outstanding issues involving the use of frequencies in the border areas of Malaysia and Indonesia.
- The meeting consisted of representatives from the communications authorities of their respective countries such as MCMC, DG SDPPI and a few radio communication operators, and relevant government agencies in the two countries.
- This meeting is also a platform for frequency registration for use in stations located in the border region.



IV. Trilateral Coordination Meeting between Indonesia, Malaysia and Singapore

- Throughout 2012, the Trilateral meeting was held once in June in Singapore.
- The meeting was successful in resolving some outstanding issues involving the use of frequencies in the border island of Batam/Bintan/Riau (Indonesia), Southern Johor (Malaysia) and Singapore.
- The meeting consisted of representatives from the communications authorities of their respective countries such as MCMC, the IDA and DG SDPPI.
- This meeting will also serve as a platform for frequency registration for use in stations located in the border region.

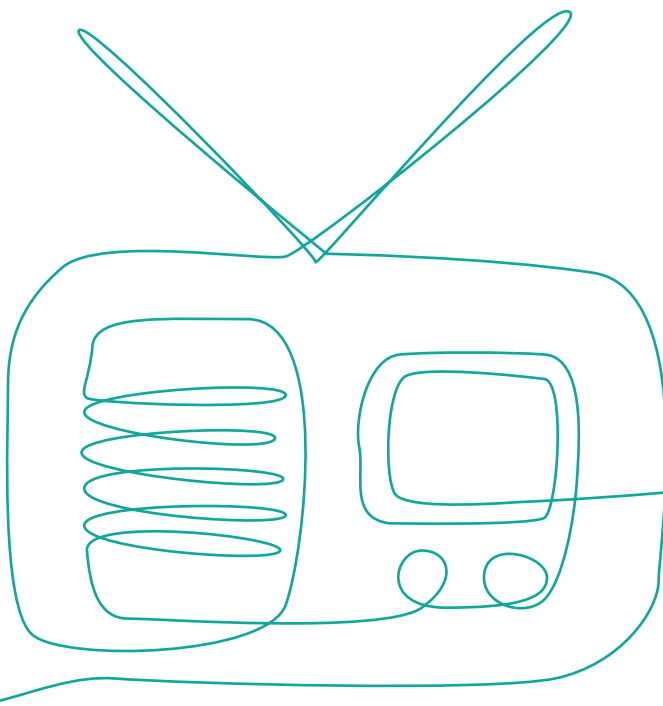


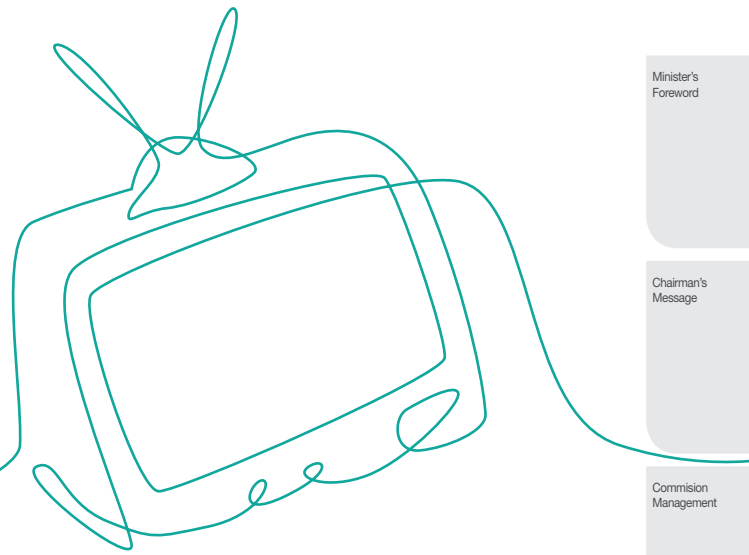
Frequency Usage Registration in the Border Regions in ITU

The main purpose of registration is to ensure that the frequency usage, especially in the border regions, is protected and received verification from ITU. Therefore, the use of an agreed frequency usage in the FACSMAB, JTC and JCC has been registered at ITU in 2012.

Standard Radio System Plan (SRSP)

Technical specifications and technical limitations to the use of certain spectrum bands for wireless system or service are described in the Standard Radio System Plan (SRSP). Through the establishment of a working group consisting of government agencies, communications and multimedia industry, broadcast agencies, consumer radio spectrum association and higher education institutions, related matters were discussed to produce SRSP documents. These documents will be reviewed and revised to ensure the needs of the current spectrum usage can be met.





A review of the 13 SRSPs by regular services have been implemented to fulfil the requirements for same band usage to satellite services. Negotiations between the industry and government agencies have been carried out to find the best method to maximise the utilisation of this resource base without interfering with each other. These negotiations also address the issue of duplication of this request so that the user only receives minimal impact as well as meets the new requirements of the satellite sector. A joint working group with the industry was established to develop new policies to allow fixed services to operate at 4GHz, 14GHz/16GHz as well as 71-76GHz/81-86GHz frequency bands.



On 28 November 2012, MCMC issued 523 SRSP documents which were updated and revised for the use of 2500MHz to 2690MHz frequency band for services based on International Mobile Telecommunications (IMT) system. Allocation of spectrum in the band was performed in December 2012, when a total of 8 companies were given access to the 2600MHz band containing 2x70MHz for Frequency Division Duplex (FDD) system and 40MHz for Time Division Duplex (TDD) system. With the 2600MHz spectrum band allocation, identified companies can continue to expand and improve the capacity of their mobile broadband network to meet growing consumer demand.



Rural Development



Universal Service Provision (USP) programmes for 2012 focused on 3 main projects, which are *Kampung Tanpa Wayar* (KTW), Cellular Coverage Expansion programme (Time 3) and *Pusat Internet 1Malaysia* (PI1M). Another important on going project in 2012 is the netbook distribution under the 1Malaysia Netbook programme.

Project Implementation

Kampung Tanpa Wayar (KTW)

KTW project is focused on providing collective internet service to remote communities throughout the whole country, especially to netbook recipients of the 1Malaysia Netbook programme.

At the end of 2012, 2,489 new KTWs were built to a total of 3,844 KTWs nationwide.

Cellular Coverage Expansion (Time 3)

Under this initiative, 1,000 telecommunication towers are to be built at extremely remote areas nationwide. Targeted regions are areas with population of 80 for each square km.

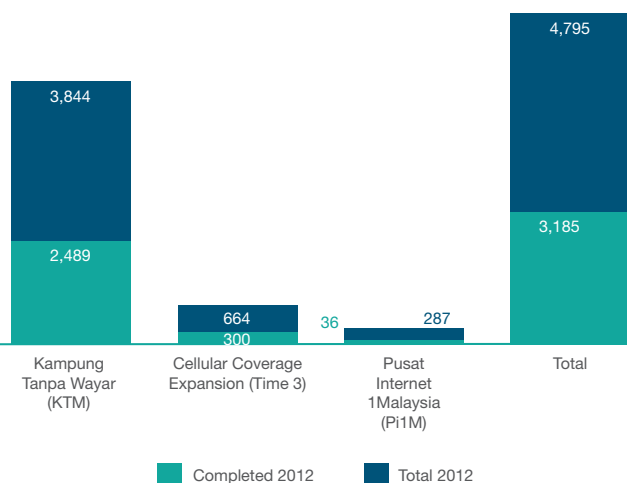
At the end of 2012, a total of 664 towers have been built, whereby 300 towers were completed in 2012. The remaining 336 towers had commenced work in the same year and are expected to be completed by mid 2013.

Pusat Internet 1Malaysia (PI1M)

Pusat Internet 1Malaysia (PI1M) provides collective broadband internet at selected premises for users in rural areas nationwide. In 2012, 36 new PI1M have been built to a total of 287 PI1M completed and in operation nationwide.

Overall, 3,185 projects from the 3 main USP projects KTW, Time 3 & Pi1M have been built. The breakdown of the figures by projects is shown in Figure 1:

Figure 1 Projects implemented under USP programmes for the year 2012



1Malaysia Netbook

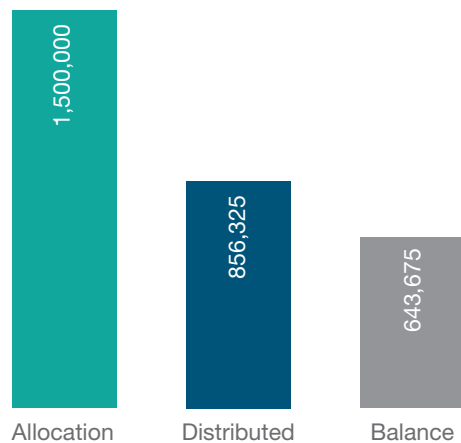
In addition to the 3 main projects, netbook distribution under the 1Malaysia Netbook was actively carried out in 2012. This programme aims to distribute 1.5 million netbooks to target groups of students and people from the low income group. The distribution process has been divided into several phases.

An affordable broadband subscription package was also offered to the netbook recipients. This special package offered for the low income group had subsequently contributed to the increase of national broadband penetration rate.

At the end of 2012, 856,325 netbooks have been distributed nationwide. The balance is currently being distributed to achieve the target of 1.5 million recipients.

Figure 2 below shows the progress of the netbook distribution programme:

Figure 2 Distribution of 1Malaysia Netbook



Impact of USP Projects

Overall, the implementation of USP Projects nationwide has contributed significantly to the increase of national broadband penetration rate. These projects under the initiative of Broadband for General Population have pushed broadband penetration rate to 66% at the end of 2012.

Site Visits and Launches

A few site visits were conducted in 2012 to ensure the projects are running smoothly and in accordance to the specifications. The following is a collection of photo record of the visits.



KTW at Bundu Tuhan, Kundasang, Sabah



KTW at Perumahan Labuk, Beluran, Sabah



PI1M under construction at Kampung Mesilau, Kundasang, Sabah

Visit to Projects in Sabah

Commission Members visited a few USP projects in Sabah in July 2012. The sites visited were located along the Sandakan–Telupid–Ranau–Kundasang area up to Kota Kinabalu

Launches

The Time 3 tower located at Long Peluan, Ulu Baram, Sarawak was launched on 25 Februari 2012 by YAB Deputy Prime Minister Tan Sri Muhyiddin Yassin. Long Peluan is in the district of Marudi, Sarawak. With the completion of the tower, mobile service is now available to the people in Long Peluan and the surrounding areas.



Launching of Time 3 tower in Long Peluan, Ulu Baram, Sarawak





Launching of KTW Felda Pasoh 4



Launching of KTW Felda Pasoh 3

Several other launches were also conducted in 2012 for the KTW project. The KTWs launched by YB Minister were in Felda Pasoh 4, Felda Pasoh 3, Kampung Tohor, Larong, and Kampai and among others.

YB Minister looking at a P11M user browsing the internet



Launching ceremony of P11M Kg Penan Muslim, Bintulu, Sarawak

YB Minister also launched the P11M at Kampung Penan Muslim, Bintulu, Sarawak.

Outreach and Engagement

Klik Dengan Bijak (KDB) Programme

The programme is designed to inculcate the culture of positive use of the Internet that is based on the principles of the *Rukun Negara* amongst Malaysian users. The logo or tagline used serves as a reminder to users to be careful and to think before they access and use the Internet. Furthermore, the term “Klik” is an applicable action on all digital devices and is a term that can be easily understood by all.

The programme targets those most vulnerable to cyber crimes and online abuses, mainly children and youth. The campaign serves to equip parents, guardians and other caregivers with the necessary information to keep the online experience safe. It is also hoped that the educational content of the KDB programme will be able to reduce the number of people becoming victims of cyber crime.

This programme is also endorsed by the Ministry of Information, Communications and Culture, Ministry of Education, Ministry of Science, Innovation and Technology, Ministry of Women, Family and Community Development, Ministry of Youth and Sports, Royal Malaysian Police and the Communications & Multimedia Content Forum of Malaysia.

Activities for the KDB Programme in 2012

The KDB programme was officially launched at the national level on 1 July 2012 by the Minister of Information, Communications and Culture in Permatang Pauh, Pulau Pinang. Since the national launch, KDB was featured in 136 events with an estimated audience of 61,440 visitors.



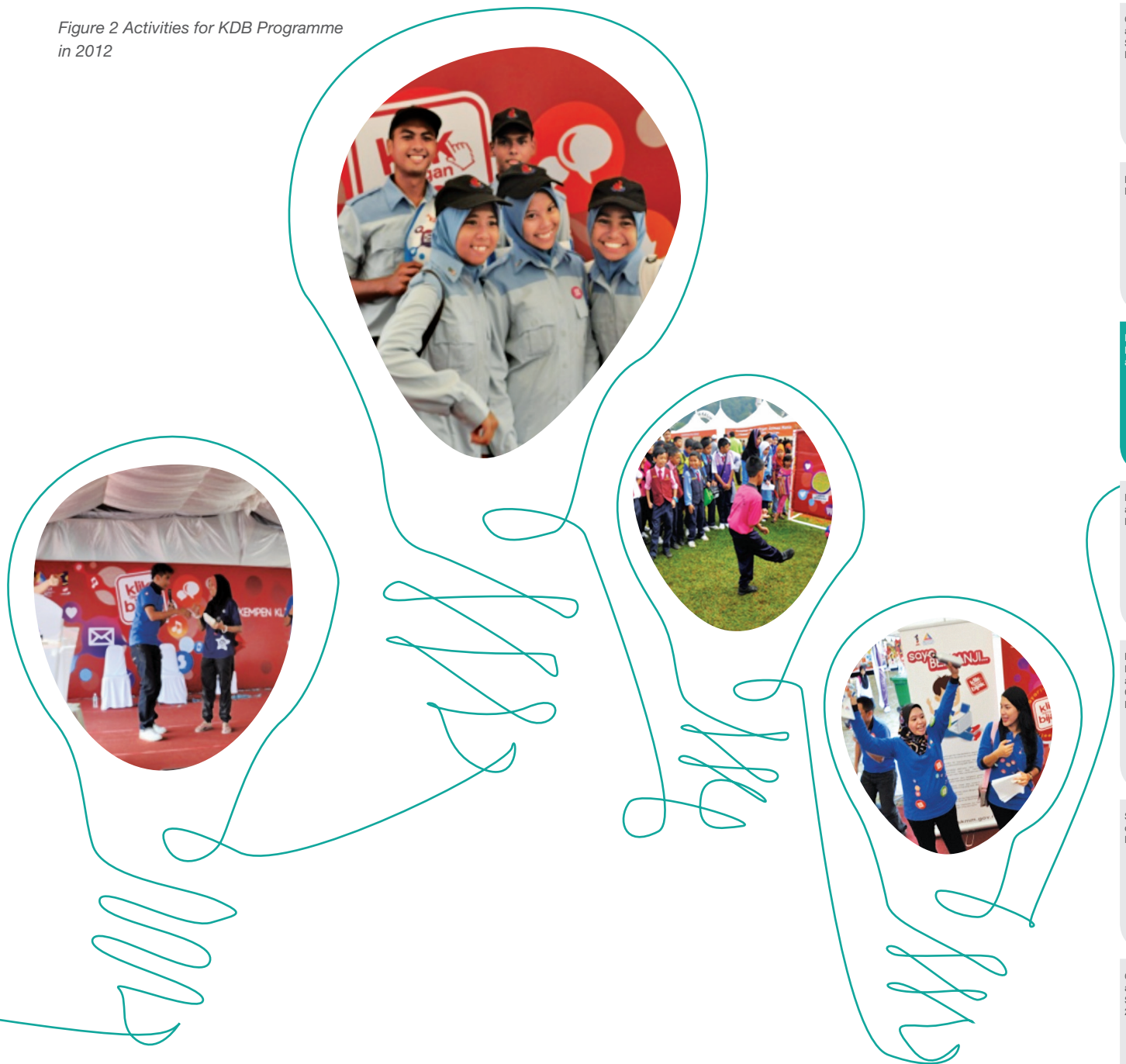
Launching of KDB Programme



EVENTS	NO. OF EVENTS	ESTIMATED AUDIENCE
Organised by Outreach and Engagement Division and Regional Offices	105	37,990
Organised by Ministry or other Agencies	24	21,510
Organised by NGOs or other organisations	7	1,940

Table 1 Number of events organised throughout 2012

Figure 2 Activities for KDB Programme in 2012



Print advertisements on Klik Dengan Bijak



Awareness of KDB was further enhanced through a series of print advertisements featuring KDB which was published in major English and vernacular newspapers.

In order to support the education component of the KDB programme, several publications were developed for easy reference, including the publications outlined in Figure 4.



KDB PUBLICATIONS	
<p>Internet Safety Booklet</p> <p>The booklet, aimed at school children, covers tips and precautions needed when using chat applications, emails, online forums, social networking websites, file sharing applications, online games and blogs.</p> 	<p>KDB Information Kit</p> <p>The Kit consists of five brochures that provide information and tips to help the public (adults) to be safe online.</p> 
<p>Brochure on Internet Safety</p> <p>The brochure covers cautionary and preventive tips on general use of social networking websites, blogs, chat rooms and emails.</p>	<p>Leaflet on KDB</p> <p>The leaflet provides brief information on KDB and highlights the important messages concerning online safety.</p>

Table 2 KDB Publications in 2012

It is hoped that through the KDB programme, public perception of MCMC's role as the regulator for the communications and multimedia industry can be further enhanced and expanded. Apart from an enforcement role, MCMC's also takes proactive steps to educate the public on the use of the Internet in a safe and positive way. This is in addition to enhancing their awareness of online risks.



u-PUSTAKA

The Prime Mover of Continuous Learning in Digital Lifestyle for an Inclusive Knowledge-Based Society

The year 2012 saw a continuation of u-Pustaka Consortium, in collaboration with the u-Pustaka Strategic Partner, in recognising the u-Pustaka Model as a knowledge ecosystem for continuous learning in the digital lifestyle for an inclusive knowledge-based society. Sustainable support was given by 18 organisations, i.e. MICC, MCMC, the National Library of Malaysia, INTAN, Pahang State Library, Selangor State Library, Negeri Sembilan State Library, Sabah State Library, Kuala Lumpur Library, Sarawak State Library, MAMPU, Economic Planning Unit (EPU), National Registration Department, Centre of Excellence for Sensor Technology at UPM, Pos Malaysia, Touch 'n Go, MyClear, and Bank Islam Malaysia Berhad. Sabah State Library is the eighth u-Pustaka consortium member that went through the process of implementation in 2012. Overall participation and joint activities from various agencies are very good.

Earlier in the year, it started with the re-branding of u-Pustaka to bring the image or concept of "1Malaysia Library" and augmented by all the activities of u-Pustaka. Promotion of u-Pustaka was carried out actively throughout the year by participating in road shows such as *Karnival Jalur Lebar 1Malaysia*, *Karnival Komuniti 1Malaysia*, ICT Week, NKEA Day, MICC Innovation Day, GoMobile Exhibition, KL International Book Fair, Digital Lifestyle Expo and Chief Information Officers Summit, as well as publicity through the mass media and u-Pustaka Tour promotional activities by MCMC and u-Pustaka library consortium.

The launch of the u-Pustaka by INTAN Library Bukit Kiara on 17 June 2012 with the theme *Hari Kembara Ilmu INTAN* was filled with a conference on research for civil servants, lectures and philatelic exhibition by the Philatelic Society of Malaysia, language seminar by Dewan Bahasa & Pustaka, Sale of Special Stamps by Pos Malaysia and book fairs. The launch was officiated by Datuk Seri G. Palanivel, Minister in the Prime Minister's Department. Kuala Lumpur Library, meanwhile, had its launching of u-Pustaka on 5 November 2012 by Datuk Ahmad Phasal Talib, the Mayor of Kuala Lumpur City Hall. Philatelic talk and exhibition on the history of Kuala Lumpur was organised by the Philatelic Society of Malaysia, and the media's focus for this event is Library Books Right At Your Doorstep.



Appreciation of u-Pustaka was evident through articles in 6 magazines including Wanita, Solusi, al-Islam, Iman, Infiniti and i-Sihat. The intellectual content from the knowledge treasure of u-Pustaka was analysed in addition to introducing the u-Pustaka services so as to continue exploration of knowledge.

u-Pustaka Proclamation on 18 October 2012, held for the first time using public buses (RapidKL), introduced the promotion channels in the Klang Valley in order to bring u-Pustaka closer to the citizens. For 3 months, an estimated 1.3 million people in the Klang Valley were able to view the message and the identity of the u-Pustaka through 8 buses plying the streets in 5 Area Zones. The areas covered by the bus route were the Kuala Lumpur City Centre, North Kuala Lumpur, South Kuala Lumpur, Petaling Jaya, Subang Jaya and Shah Alam. In addition to the u-Pustaka ads on the bus body, video clips about u-Pustaka services were made available on the TV screen in about 1,000 buses traveling through these 170 routes. Bus ridership was estimated at 428,000 people daily and 3 million each week. This promulgation ceremony was officiated by Dato' Seri Utama Dr. Rais Yatim, MICC Minister at the Sultan Abdul Samad Building Complex.

Now, u-Pustaka is popularly known by the citizens. Usage trend indicates that u-Pustaka portal is continuously accessed by visitors from home and abroad, who are from 104 countries and 734 cities covering neighboring countries, Asia Pacific, the United States of America, Europe, Russia, Poland and even up to Iceland. The total membership of u-Pustaka has reached 300,000 while more than 11,000 loan transactions and book returns were recorded since the launch of the u-Pustaka on 31 March 2011.

An audit was conducted in November-December 2012 by the MICC Audit Team and found that the initiative to develop u-Pustaka has good content and achieves its objectives. As a result of the audit, the project was carried out according to the scope as determined, while the u-Pustaka membership and loan activities of library materials have increased since its launching. Established monitoring mechanism also played an important role towards u-Pustaka achievement.

The Broadband and Information Technology Summit for Libraries 2012 (BITS 2012) entitled Empowering Communities Through A World Class Knowledge Access And Content at One World Hotel, Bandar Utama, Petaling Jaya, on 12 December 2012 was one of the activity highlights of u-Pustaka.



The conference presented sub-themes such as:

- i. Innovation and transformation for information service excellence;
- ii. Empowering digital lifestyle in Malaysia with the latest technology and services;
- iii. Connecting communities and the role of broadband to benefit knowledge sharing; and
- iv. Challenges and way forward for building knowledge-based society in Malaysia.

Presenters were comprised of corporate leaders from Telekom Malaysia, Bank Negara Malaysia, Sungkyunkwan University, Korea, National Library Board, Singapore, Pos Malaysia Berhad, the Institute of Museum & Library Services, USA, Telepoly Consulting, USA, Nusantara Technologies Sdn Bhd and Economic Planning Unit. Chairman of the MCMC, Dato' Mohamed Sharil Tarmizi assumed the moderator role in the discussion session: "The challenges and way forward for building knowledge-based society in Malaysia in 2020: Are we ready to achieve it?"

u-Pustaka Community Transformation Award 2012 (ATKU 2012) was another event highlight of an impact of u-Pustaka services and 'knowledge-based community area of interest' (Community of Interest - COI) found in the environment P11M/PJL. Participating in this activity provided significant benefits to information literacy by portraying the role of u-Pustaka services to address socio-economic issues in a more practical

and meaningful manner via optimising the electronic government facilities. ATKU also has a potential to be introduced in other telecentres across the country to open up new opportunities for the local community. P11M/PJL administrators will be given recognition so that motivation and passion to serve with commitment can be improved. ATKU promotes and makes use of the u-Pustaka services by recognising COI community involvement and hence increases the quality of life for communities through opening the space for a better life and strengthening community ties. There are 135 projects nominated and 10 winners were invited to the ATKU prize giving ceremony on 12 December 2012.

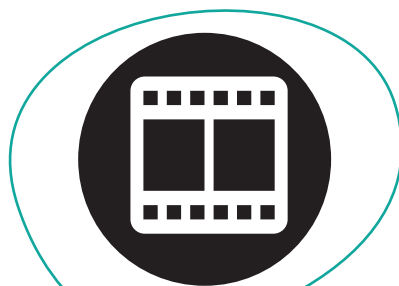
Continuous service by u-Pustaka is an initiative that links the country's knowledge assets and modernisation of services which is culminated in a single point of contact for u-Pustaka services, with no limitation of time and place for the citizens.

Digital Malaysia

Digital Lifestyle Malaysia (DLM) and Internet of Things (IoT)

The intensive adoption of digital applications and services by the people will augur well for the nation as we move towards the last lap of our push to be a developed nation by 2020. Embedding the things in our lives with ICT capability so that they can talk to us under the Internet of Things (IoT) concept with innovative smart applications, smart devices and cloud services can address our daily life and at the same time reach out and support the business community to be more productive and competitive. This initiative, we believe, will play a major role to promote an enriched lifestyle in future digital living as in the way we live, work and play.

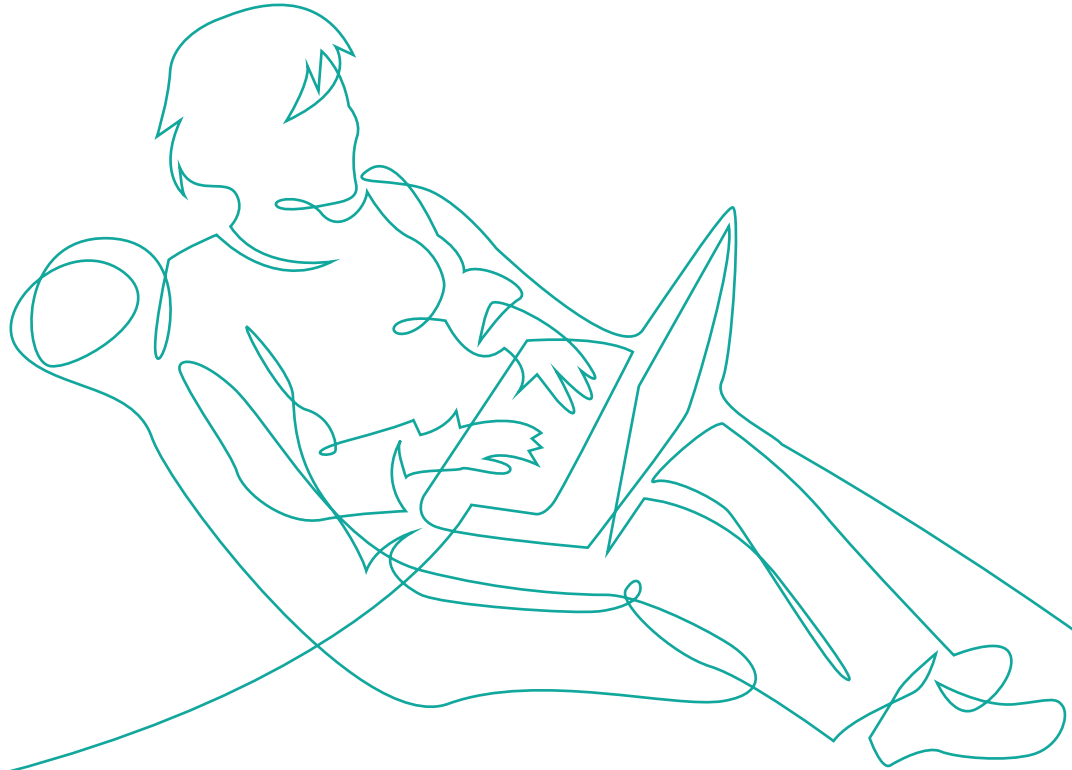
With the rise of Internet of Things, billions of physical objects which we are very familiar with will soon be able to sense, talk and take necessary actions anytime of a day. We can also make sense of the large amount of data generated, and by filtering and analysing it, it will be able to assist us in making efficient and well-informed decisions on our own smart devices.





For example, the experience of shopping in a departmental store would be very different from that of today if this shopping experience can be developed into a digital lifestyle ecosystem. Products may be populated with identification (or Radio Frequency Identification, RFID) tags. Customers could walk in, and the system may be able to identify a regular customer and thus greet him/her with their first name. Customers may request for certain items and the exact location, size, variety and cost will be displayed on their smart phones, or on an augmented reality display on smartphones or even on devices such as Google Glass. Payment will be cashless and may be made with a smartphone and orders may be delivered anywhere in the world.

However, in many instances, investment into the Internet of Things projects promoting digital lifestyle faces many challenges, with high initial investment outlay being the main stumbling block to start development of a digital lifestyle ecosystem that would lead to the participation of the masses and the creation of the economies of scale for a sustainable ecosystem. Noting the benefits and challenges, MCMC is facilitating the industry to innovate and accelerate such adoption in four focus areas of Connected Healthcare, People Friendly Commuting, Traceability and Home and Community Living.



The updates on projects building the ecosystems in the four areas for year 2012 are:

Traceability – Secured Trade Facilitation System – Royal Malaysian Customs

Smartag Solutions Berhad has set up the Security and Trade Facilitation System, which entails the setting up of Radio Frequency Identification (RFID) infrastructure to provide security and automation of paperless Royal Malaysian Customs (JKDM) checkpoints throughout Malaysia.

Under this project, containers entering, leaving, and moving within the country will be tracked under the RFID system based on ISO18186:2010 and GS1 EPC global EPCIS standard. The reusable RFID Seal affixed to containers are scanned by RFID readers set up at strategic locations to retrieve the container information.

Amongst the advantages of this system are the improvement in efficiency of container clearance, which will reduce queuing times at Customs Check Points, the improvement of security through automatic detection of a compromised or open container, and the optimisation of human resources for better services.

A trial was conducted from June to August 2011 to ascertain the benefits of implementing such a system. Commercialised usage of Secured Trade System at 26 Customs checkpoints and 6 bonded warehouses started from 1 September 2012. Processing time at each Custom checkpoint was reduced by 47 minutes per container, showing much promise in improvement of trade efficiency across Malaysia. Despite a delay in moving from pilot phase to commercial, 64,629 transactions were processed in 2012 compared to the target of 66,000 transactions.

People-Friendly Commuting – MyPUTRAS

A Proof of Concept (PoC) of the Malaysian Public Transportation System (MyPUTRAS), a free online smartportal and smartphone application, was implemented by GPS Tech Sdn Bhd. The applications will provide real-time tracking of buses, showing the estimated time of arrival and departure, and public WiFi internet access on buses. The initial PoC will be focused on providing bus information for the Klang Valley. Eventually, the PoC will be expanded to include rail and taxi services, parking, and public communication facilities nationwide.

Transport providers participating in the PoC include Syarikat Prasarana Negara Berhad, which owns and operates RapidKL buses.

MyPUTRAS was made possible by public-private sector collaboration involving MCMC and the Land Public Transport Commission (SPAD) with technology support from MIMOS, Prasarana Negara Berhad, Malaysian Technical Standards Forum Berhad, REDtone, DiGi and U-Mobile. Two routes consisting of 10 buses with GPS and WiFi onboard were implemented as first phase PoC in December 2012.

Traceability – Swiftlet Nest

Jointly led by MCMC and the Department of Veterinary Services of the Ministry of Agriculture and Agro-Based Industry, the aim of this project was to develop, test and implement a new system and standard for tracking and tracing the delivery of swiftlet nest for the global market. This effort was carried out in collaboration with associations of swiftlet nest producers in Malaysia.

Using Radio Frequency Identification (RFID) as the primary technology, a traceability platform was set up for the government and swiftlet nest producers, who were able to trace their products along the supply chain from harvesting, production, and whilst being transported to high value markets in China and eventually Japan and Taiwan.

By end of December 2012, over 5,000 companies have registered their interest to participate in Edible Swiftlet Nest traceability system. This PoC was completed by end of 2012 and commercial use of the system is being considered.

Home and Community Living – Get Malaysian Business Online (GMBO)

Businesses need not just be localised within the community. Getting them to go online helps expand their horizon and gets them in touch with billions of potential customers all over the world. When a product or produce attracts the global market, a smart community will usually develop to serve the market, doing trade beyond their backyard.

Noting such benefits from a broadband internet empowered community, the Get Malaysian Business Online (GMBO) was launched in November 2011 to encourage micro, small and medium-sized enterprises (SMEs) to promote their products or businesses online. Google platform offered a free, quick and easy self-help website builder and a sustainable support network to help businesses participate in the digital economy. This project aimed to bring at least 50,000 Malaysian SMEs online and to make them successful on the web within one year. At the end of 2012, almost 30,000 SMEs signed up for the programme where slightly less than 10,000 successfully launch their website under the .com.my domain.



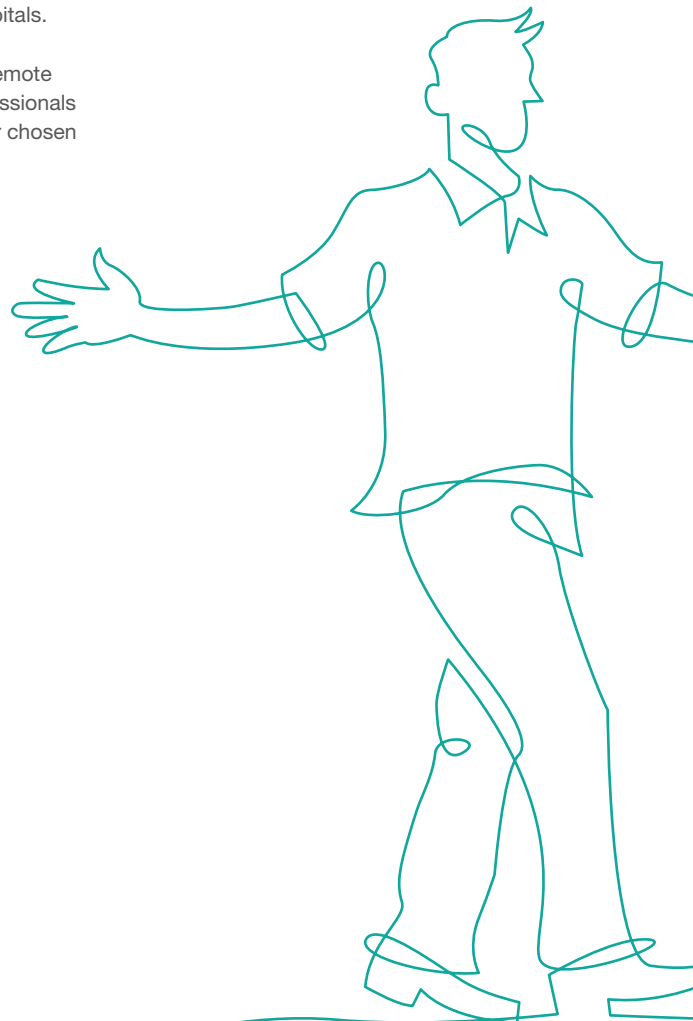
Some early success stories or cases of broadband internet empowered entrepreneurs encouraged MCMC to further improve the response rate for the GMBO programme. The programme was rebranded to reach out to a wider base of potential users and with a wide choice of online platforms and solutions to choose from. Under the Budget 2013 announced by Prime Minister Datuk Seri Najib Tun Razak, it was announced that to encourage the establishment of more Malaysian online businesses, especially among women entrepreneurs, a RM1,000 incentive will be offered by MCMC to those who have an online business. The target under this revamped programme is to have an online presence of 50,000 micro-entrepreneurs in 2013.

Connected Healthcare – Remote Patient Monitoring

Remote Patient Monitoring is a service that gives the clinician/caregiver the ability to monitor and measure patient health data and information over geographical, social, and cultural distances. The application of these technologies allows for increased access to healthcare services, improved disease management, improved self-care management and earlier and proactive interventions for positive outcomes.

In collaboration with Ministry of Health and Mahkota Medical Center, MCMC conducted a Remote Patient Monitoring pilot that ran for 8 months, starting from September 2012 to April 2013. The service leveraged on a combination of advanced remote monitoring devices, telecommunication technology and innovative software and hardware solutions to enable sophisticated medical care outside of traditional medical institution such as hospitals.

In essence, the pilot is aimed at evaluating and demonstrating the feasibility of remote patient monitoring as an e-healthcare service that would enable healthcare professionals to remotely monitor, diagnose and provide care to patients in the comfort of their chosen environment, whether at work or at home.





Connected Healthcare – CBC e-Healthcare

MCMC has identified two settings for the delivery of e-healthcare services to the community at large – urban and rural. The urban setting focuses on the home as the nucleus, whereas the proposed rural model has the CBC (Community Broadband Centre, also known as 1Malaysia Internet Centre) as the epicentre.

The main focus of the proposed service is to facilitate access to healthcare services for people living in far-flung districts, via an integrated care service combining remote and face-to-face contact made available through the CBC. It is also aimed at increasing traffic flow to the CBCs, thus optimising the usage of the centres and creating efficiency in the use of resources made available there by MCMC and the communications service provider, as well as the various empowerment programmes available to promote a digital lifestyle.

A pilot implementation was agreed upon to develop and determine the feasibility and appeal of an e-healthcare ecosystem that would provide rural people access to healthcare services at the CBC, supported by a team of medical specialists from both the private and government sector, using connectivity of the fixed and mobile broadband services.

Preparation and development of functional frameworks, standard operating procedures, portal, security, promotion and outreach for the pilot has reached a high level of readiness and is set to commence in early 2013 and would run for 6 months. Through collaboration with the Ministry of Health and BP Healthcare, MCMC would leverage on a carefully selected 12 CBCs across 6 states – Pahang, Perak, Negeri Sembilan, Johor, Sabah and Sarawak – for this pilot.

Monitoring spectrum usage by performing frequency scans in the area

MCMC Headquarters, Cyberjaya

As a regulatory body responsible for spectrum management, MCMC actively monitors spectrum usage to ensure that it meets the needs of spectrum users. MCMC provides a sufficient range of spectrum to serve the public and the community, maximising the overall benefit for the public by ensuring effective spectrum distribution and encouraging the use of efficient wireless technology with adequate quality of service.





Monitoring and Enforcement

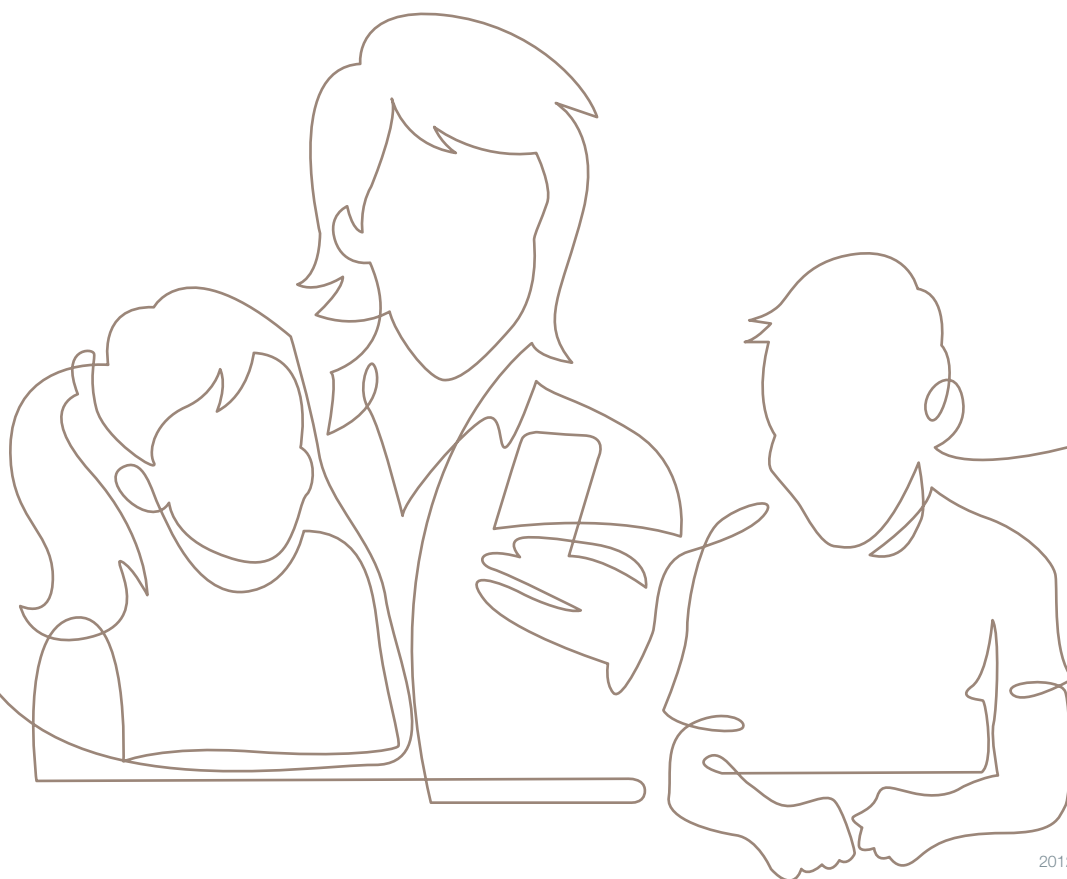
Monitoring and Compliance (Communications)

Consumer Protection

The world today is witnessing rapid development and change in communication technology. Various innovations have enabled communication and human interaction to be faster, more rapid and able to transcend the limits of time and place. On this basis, the communication technology has now become necessary in managing daily activities of individuals.

However, the role and responsibility of each individual must be fulfilled to ensure communication technology is hugely optimised and benefiting the individuals. Through various awareness programmes to the public, MCMC promotes that people need to adopt self-regulatory behavior (self-regulation) which may indirectly reduce consumer issues related to communications and multimedia.

MCMC views consumer issues related to communications and multimedia seriously. Through the Communications and Multimedia Act (CMA) 1998, the interests of consumers in matters of communications and multimedia services can be protected through development and enforcement of consumer codes and standards, resolution of consumer disputes and effective rate regulation. In addition, several mechanisms have been implemented to protect consumers, including offering quality services, required application services, the resolution of consumer disputes, regulation of rates, compliance with the licence conditions related to pricing effectiveness and accuracy.



Mobile Services

The Malaysian communications industry is experiencing rapid growth, especially in mobile service due to the tendency of online customers choosing mobile over fixed line.

This is due to the physical characteristics of mobile phone which are small, portable, multi-functional and affordable and this has positioned mobile phone as a very important item in the daily lives of the consumer.

In addition, the introduction of the prepaid system which is increasingly popular among customers and improving quality of services that fulfill the needs of consumers have managed to increase the penetration of mobile service from 11.4% in 1997 to 128.7% in 2012 as in Figure 1.

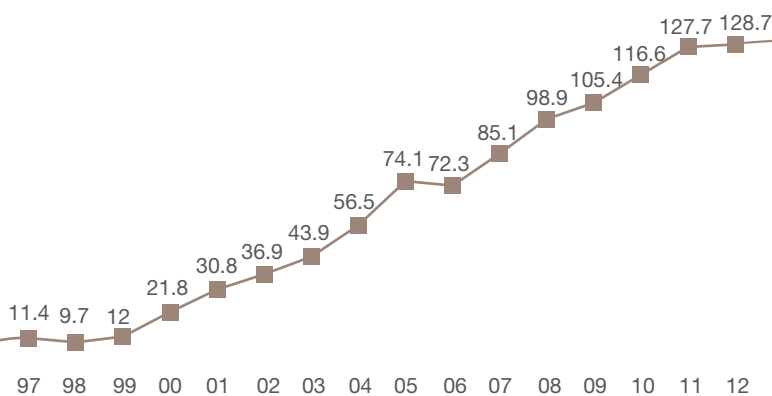


Figure 1 The penetration rate of mobile cellular phone (1997 - 2012)

Rate/Tariff Improvement

Rate regulations wholly covers the rules and principles in rate determination, in which rate must be fair and cost-based, and generally, cross-subsidy must be eliminated.

Communication and Multimedia (Rates) Rules 2002 enforced by MCMC set the rates for the following services:

- i. Fixed line services;
- ii. Public telephone services;
- iii. "Audiotext" services; and
- iv. "Dial-up" Internet services.

However, the rate for cellular and broadband services are not regulated, in which the control rate for these services is determined by market factors, consumer protection and the economy. Even so, the rate offered by the service providers must comply with the principle of rate setting as mentioned above.

At present, the rates offered by the service providers to consumers is very competitive. Information and comparison rates for cellular services is as per Table 1, Figure 2 and Figure 3.

YEAR	CELCOM	MAXIS	DIGI
2000	RM168	RM199	RM99
2003	RM128	RM88	RM38
2006	RM48	RM8.80	RM8.50
2009	RM8.50	RM8.80	RM8.50
2012	RM8.50	RM5.00	RM8.50
Percentage Decrease from 2000-2012	95%	97%	91%

Table 1 The market price of prepaid starter pack of 3 major service providers for the year 2000 to 2012



Figure 2 Prepaid voice call price trends in the market (RM) for the year 2000 to 2012

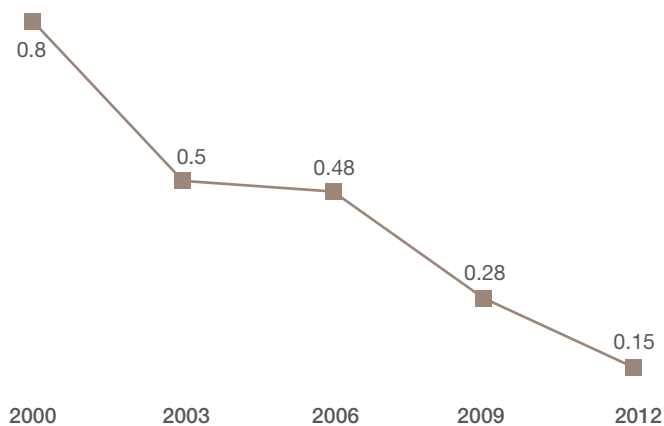
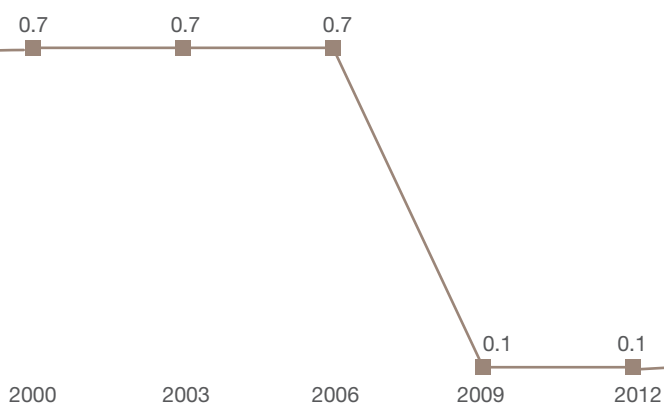


Figure 3 Prepaid SMS price trends in the market (RM) for the year 2000 to 2012



MCMC regularly monitors the rates offered by the service providers and ensures accuracy in billing charges to consumers as defined in the licence conditions.

Quality of Service Mandatory Standards

Mandatory standards established by MCMC since 2003 is the minimum standards that must be adhered by service providers in their service offerings to customers so that quality guarantee is always preserved.

Non-compliance with Quality of Service Mandatory Standards is an offense under Section 105 (3) of the Communications and Multimedia Act (CMA) 1998, and offenders can be fined up to RM100,000 or imprisonment not exceeding 2 years, or both.

Quality of Service Mandatory Standards is created to:

- i. enhance and protect the rights of consumers;
- ii. provide consumers with a clear and specific criteria for measuring the quality of services received or used;
- iii. oversee performance of applications and network service providers network, and
- iv. promote industrial prosperity, thus, enhance the global competitiveness of the country.

To comply with certain standards, service providers should not exceed the maximum number of complaints, for complaints like service disconnection or network disruption, within a complaint process cycle.

At present, there are 7 Quality of Service Mandatory Standards registered between 2003 and 2011. These are mandatory standards for:

- i. Public Switched Telephone Network (PSTN)
- ii. Public Cellular Service (PSC)
- iii. Dial-up Internet Access Service (DIAS)
- iv. Content Application Service (CAS)
- v. Public Payphone Service (PP)
- vi. Digital Leased Line Service (DLL)
- vii. Broadband Access Service (BB)

As required under the Quality of Service Mandatory Standards, service providers are to submit mid-year reports to show compliance with the standards. MCMC will conduct a random or selected audit on the report submitted by the service providers to ensure they are valid and reliable.



Summary Report for the Period Ending December 2012

For the reporting period ending December 2012, MCMC has received 57 reports from the relevant service providers. Based on the reports received (before the audit process), out of 283 related standards, 15 were non-compliant.

Overall, the percentage of compliance was 94.70%. For the year ended December 31, 2012, Public Cellular Service and Dial-up Internet Access Service recorded the highest non-compliance, respectively at 12.50% and 10.00%.

The table below shows the overall compliance of standards related to:

SERVICES	NUMBER OF STANDARDS	NUMBER OF STANDARDS COMPLIED	NUMBER OF STANDARDS NOT IN COMPLIANCE	PERCENTAGE OF COMPLIANCE (%)	PERCENTAGE OF NON-COMPLIANCE (%)
Fixed Line Telephone Network	60	57	3	95.00	5.00
Public Cellular	16	14	2	87.50	12.50
Dial-up Internet Access	10	9	1	90.00	10.00
Content Application	26	25	1	96.15	3.85
Public Payphone Service	9	9	0	100.00	0.00
Digital Leased Line	82	80	2	97.56	2.44
Broadband Access	80	74	6	92.50	7.50
TOTAL	283	268	15	94.70%	5.30%
PERCENTAGE		94.70%	5.30%		

Table 2 Compliance services according to Quality of Service Mandatory Standards for 2012



Customer Satisfaction Survey

A customer satisfaction survey is a complement to the mandatory standards for quality of service. The purpose of this study was to measure the level of satisfaction of telecommunications and multimedia services in Malaysia. It included fixed line telephone services, mobile phone services, Internet access services (dial-up Internet and broadband Internet), Public Telephone, Digital Leased Line, Free to Air Television, Free to Air Radio, Paid Television, and postal and courier services.

For 2012, MCMC successfully conducted 2 customer satisfaction surveys involving a total of 4,621 respondents and focused on the cellular and broadband services. MCMC utilised phone interview method of study. The report findings were released in Quarter one (Q1) of 2013. Report of the findings for the year 2012 is as follows:

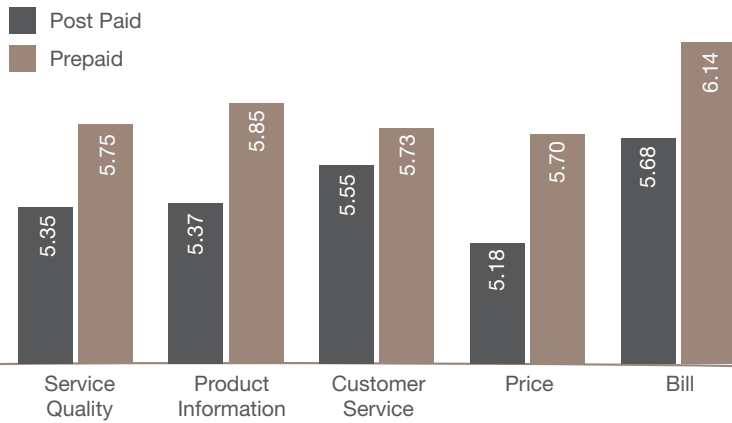


Figure 4 The overall performance of cellular phone service

Similar to 2011, prepaid customers are more satisfied than postpaid customers, obtaining satisfaction index score of 5.85 out of 7. This is a big gap in comparison with the satisfaction index score for postpaid services which stood at 5.43 out of 7. Generally, postpaid customers tend to be more sensitive to cellular mobile services because they rely on a mobile connection and commitment to monthly subscription fees.

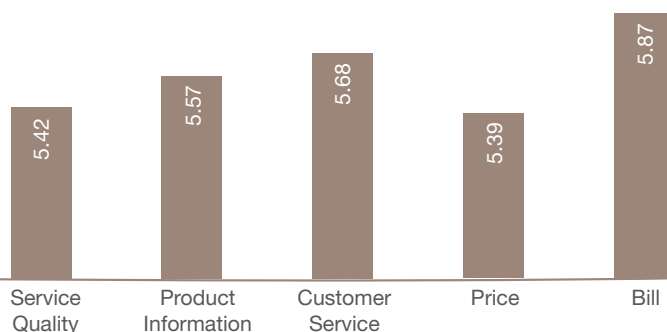


Figure 5 The overall performance for broadband services

From the survey conducted, respondents are generally very satisfied with the performance of broadband services in terms of billing and customer service; satisfaction index scores obtained are 5.87 and 5.68 out of 7, respectively. Meanwhile, respondents felt that the customer service provided to consumers should be improved in terms of response time as well as time taken in addressing issues and complaints.

Survey results report will be shared with the telecommunication providers for the purpose of improving the quality of services offered. In addition, it will be adopted by MCMC for the purpose of reviewing policies, guidelines, practices and others.

1Malaysia Affordable Broadband Package

The 1Malaysia Affordable Broadband Package was launched by the Minister of Information, Communications and Culture on 4 September 2012. The purpose of its rollout was to encourage rural area residents to enjoy broadband services offered at a much lower and affordable rates.

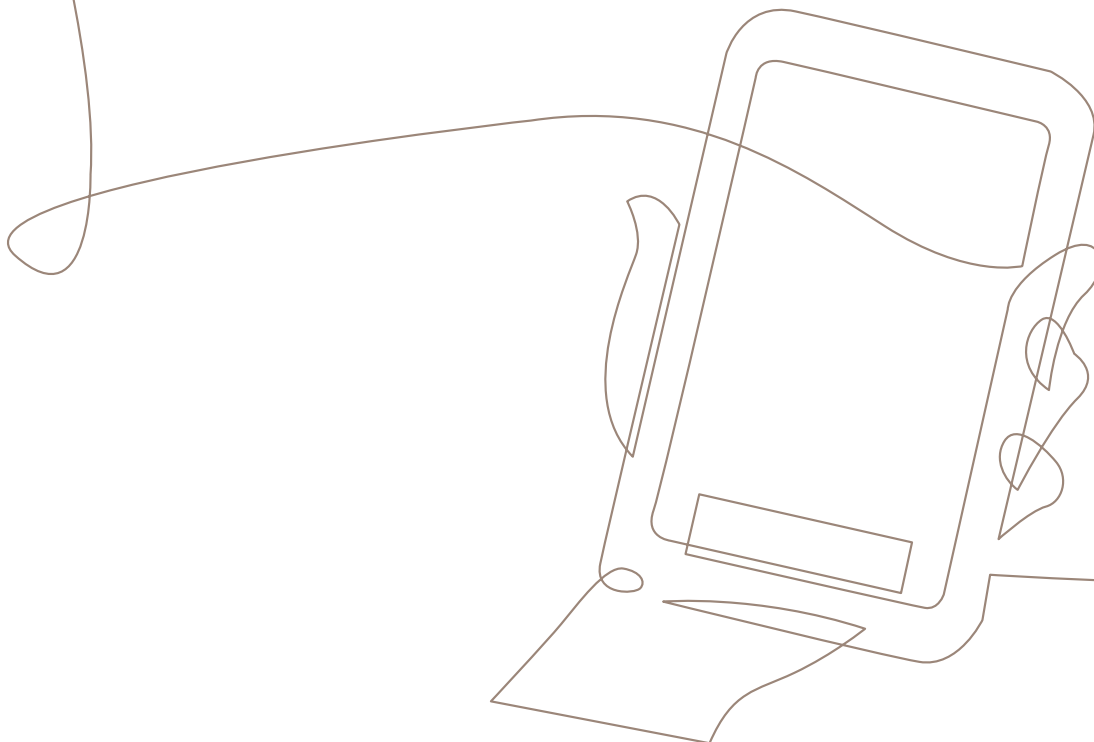
The target group was the rural areas in 5 selected states of Sabah, Sarawak, Pahang, Terengganu and Kelantan. The package price for wireless was between RM20 and RM25 with 512kbps speed and 1GB quota, while the price for wired is RM38 with 384kbps speed and unlimited quota. Service providers involved were Celcom, Maxis, DiGi, U Mobile, YTL Telecommunications, Packet One and XOX for wireless broadband services and Telekom Malaysia for wired broadband services.

The average response was overwhelming and the initiative met the government's mission to increase the country's broadband penetration.

Mobile Content Services

Cellular phone services penetration rate as at fourth quarter of 2012 reached 142.5% (Source: Facts and Figures, MCMC). This scenario provides an avenue for the development of value-added services such as content and application services to continue to grow over time.

Therefore, the role and responsibilities of MCMC have become more challenging in order to ensure the development of mobile content services is beneficial and of interest to the Malaysian consumers, and at the same time ensure that consumer interests are protected. Among the issues often received include spam (unwanted SMS), SMS promotion, misleading marketing activities, and the validity of charges to the consumer.



Complaint Statistics related to Mobile Content Services (Year 2012)

MCMC records show the number of complaints received in 2011 which amounted to 697 complaints before rising by 23% to 859 in 2012. Among the complaints are as follows:

TYPES OF COMPLAINTS	TOTAL COMPLAINTS
Misleading SMS promotions	117
Receiving unsubscribed SMS	735
Billing Disputes	7

Table 3 Complaint statistics related to mobile content services for 2012

The table above shows that complaints relating to 'unsubscribed services' is the highest, 85.56% of the total complaints received in 2012.

Approach Taken to Address Customer Complaints

Continuous efforts are needed to address these issues. Hence, MCMC has taken several steps in order to regulate mobile content services, especially the type of subscription services supplied to consumers through the cellular service provider platform.

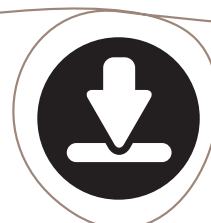
Enforcement of Mandatory Standards for Mobile Content Service Provision (Mandatory Standards)

During 2012, MCMC has opened 16 investigation papers relating to the breach of the Mandatory Standards and compounded 9 license holders for violation of Mandatory Standards totaling to a compound of RM155,000.00.

Administrative Actions

Among the approaches being taken by MCMC against the licence holders who violated the Mandatory Standards was to suspend short codes and keywords. This action was intended to prevent consumers from further mistreatment. MCMC found that complaints relating to misleading SMS promotion contributed to the highest number of complaints for the year 2011 and the first quarter of 2012, respectively 212 complaints and 59 complaints.

Given the increasingly critical issue, MCMC has issued a directive at the end of the first quarter of 2012 in which content providers were not allowed to perform promotional and marketing activities through short code "Level 6" for services related to the short code "Level 3". Cellular service providers were instructed to block the SMS when they were sent by the content providers.



The table below shows the number of short codes or keywords that were suspended in 2012.

ACTION	TOTAL
Short Code Suspension	41
Keyword Suspension	23

Table 4 The number of cases subject to enforcement action for non-compliance against the mandatory standards

Audit

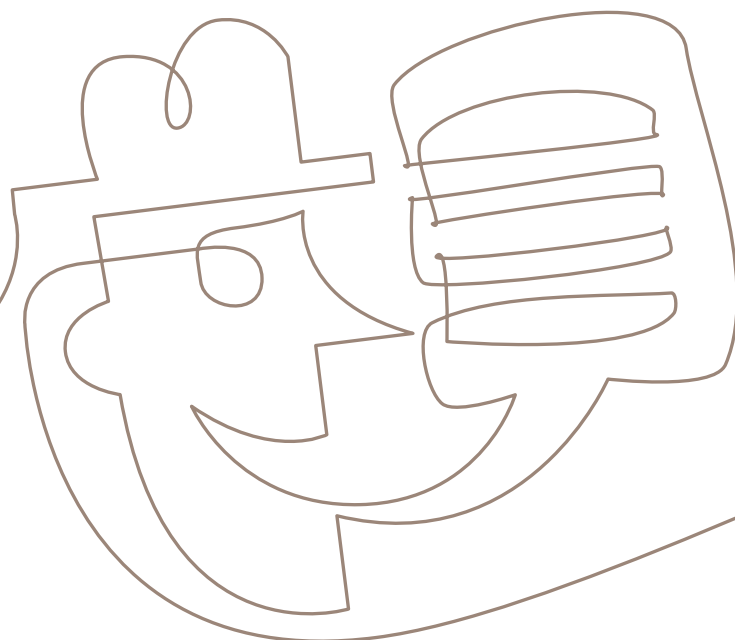
In addition to the daily checks on the services provided by content providers, MCMC has done an audit of the selected 10 Content Providers to see the genuineness/ authenticity of transactions and charges made to users, including the extent of compliance with the Mandatory Standards. Based on the audit results, there are a number of Mandatory Standards non-compliance identified and enforcement actions were being carried out against the content providers involved.

Short Code Brand Introduction

MCMC has also developed a procedure to maximise the advantages of short code for the purpose of brand recognition. Through this procedure, short code branding can be made if the application meets the criteria such as services that do not feature commercial activities. Through short code initiative, it is hoped that public confidence through the provision of services related to consumer knowledge can be perfected.

Communications and Multimedia Consumer Forum of Malaysia

Communications and Multimedia Consumer Forum of Malaysia (CFM) was established in February 2001 as an organisation represented by related organisations, including the local "Providers and Users" for communications and multimedia industry. Users Forum appointed by MCMC as the Communications and Multimedia Consumer Forum of Malaysia in 2002 aims to protect the rights of consumers, in accordance with the requirements of the Communications and Multimedia Act (CMA) 1998, which encourages industry self-supervision.



Among the important tasks of the Users Forum is to develop and provide Consumer Code to be used as basic guidelines to be adopted by the communications and multimedia service providers. General Consumer Code of Practice for the Malaysian Communications and Multimedia and Internet Access Code were adopted in 2002.

Objectives and Functions of CFM

- Promote national policy objectives of the CMA 1998;
- Design, develop and provide Code that protects the rights of consumers;
- Engage in and conduct research in the field of jurisdiction of the Forum, and to collect, prepare and distribute statistics deemed necessary and beneficial to all;
- Serve as a channel for complaints, handling disputes and grievances with respect to consumer matters;
- Propose an alternative dispute resolution procedure that is affordable and accessible;
- Suggest compensation fulfilment procedure or any other means of action in the event of a breach of the provisions of the Code;
- Promote and create awareness of the code and its enforcement procedures, and disseminate information to the public about their rights;
- Implement sanctions against Members who violate the Code;
- Invite, collect and review public opinions about consumer issues, and oversee service provision by the communication and multimedia industry;
- Promote and encourage high standards of service, behaviour and performance for the communications and multimedia industry, as well as to develop consumer confidence; and
- Always update MCMC on the development of the Forum.



The Organisational Structure of CFM

The Forum Council comprises of 13 members, represented by the provider and the user sections, in which the chairman of the Council of the Forum will change either from the service provider section or the user section every 2 years. For this reporting period, the Forum Council was chaired by the service provider section, i.e. from Maxis.

The Forum management and operation is supported by several appointed committees:

1. Membership and Management Committee
 - Recruit new members and update member information.
2. Code Statistics Committee
 - Plan, develop, prepare, amend, modify, revise and update the Code.
3. Complaints and Compliance Committee
 - Provide procedures and channels for raising complaints regarding consumer matters;
 - Provide consumer complaints and grievances procedure;
 - Arbitrate, referee and propose resolution for complaints;
 - Increase awareness and understanding of the Code of Practice among the service providers;
 - Promote the adoption of the consumer Code of Practice in the procedures, practices and policies of the service provider;
 - Ensure level of compliance to the Consumer Code of Practice by the service provider; and
 - Prepare the industry for self-regulation.
4. Education and Awareness Committee
 - Promote and publish the objective and activities of the Consumer Forum; and
 - Disseminate public information and education with respect to the rights of consumers.

Summary of CFM Activity for the Year 2012

1. Education and Awareness Committee
 - Consumer Forum has implemented educational and consumer awareness programmes including 36 awareness programmes, 3 interviews with television, 5 through radio interviews, 4 newspaper clippings, 1 article, and CFM magazine (Shout Magazine) .
 - The main goal is to ensure that the public:
 - i. know and understand the existence and functions of CFM;
 - ii. know their rights as consumers;
 - iii. view CFM as an avenue to lodge complaints about the handling of disputes and consumer dissatisfaction with the service provider; and
 - iv. understand national policies in the communications and multimedia industry.



PROGRAMME	LOCATION
The Official Launch of the Personal Data Protection Act	Royale Chulan, KL
"Siok Bah Broadband" Carnival	Kota Belud, Sabah
Malaysia Social Media Week	PWTC, KL
Seminar on Consumer Rights - MCMC	PERSADA, JB
Rural Transformation Centre (RTC)	Gopeng, Perak
1Malaysia Broadband Carnival - Pangkor	Pangkor, Perak
'Jalinan Mesra Rakyat 1Malaysia 2012' Programme	Jempol, Negeri Sembilan
'PEWARIS Muda 1Malaysia' Programme - Rantau	Rantau, Negeri Sembilan
Bio-ICT Exhibition Pahang 2012	East Coast Mall, Kuantan
SSM Carnival 2012	Muar, Johor
Carnival of Science & Innovation	Bukit Jalil
1Malaysia Broadband Carnival - Beaufort District	Beaufort, Sabah
RTM Mobile Launching Ceremony	Tanjung Malim, Perak
1Malaysia Community Carnival	Gua Musang, Kelantan
'Mesra Belia 1Malaysia' Carnival	Jejebu, Negeri Sembilan
Consumer Seminar - CFM	Bintulu, Sarawak
GOMOBILE 2012	KL Convention Centre
'Klik IT JASA' Programme - MCMC	Kuala Kubu Bharu, Selangor
World Telecommunication Day Carnival ... Jom Pi Menara	Menara Alor Setar, Kedah
World Telecommunication Day 2012 in conjunction with National Youth Day Pahang	Kuantan, Pahang
1Malaysia Broadband Carnival	Kota Belud, Sabah
1Malaysia Broadband Carnival	Sandakan, Sabah
World Telecommunication Day 2012 in conjunction with National Youth Day	Putrajaya
National Consumer Month Celebration 2012	Semenyih, Selangor
1Malaysia Broadband Carnival	Keningau, Sabah
Carnival in conjunction with 66 Years RTM Radio Malaysia Kelantanfm	Jeli, Kelantan
Seminar on "Women & Girls in ICT"	Kota Kinabalu, Sabah
1Malaysia Broadband Carnival	MCMC
ICT Carnival Mara College Seremban	Kolej Mara Seremban
Public Sector ICT Transformation Course: Generating Excellence in Service Delivery at MoA	MoA
CFM Retreat	CFM
CFM Regional Consumer Forum: Penang Chapter	CFM
1Malaysia Graduate Discount Card Presentation Programme	KPDNKK
Seminar on "MCMC's Role in Addressing Complaints Related to Communications and Multimedia"	MCMC/CFM
1Malaysia Broadband Carnival	MCMC
'Pelancaran Kampung Tanpa Wayar' Carnival	MCMC

Table 5 List of activities/awareness programme of Consumer Forum for 2012



2. Committee of Code Statistics

- Consumer Code of Practice framework was submitted and being reviewed and revised by MCMC.

3. Complaints and Compliance Committee

- Through education and awareness programmes conducted by CFM, number of complaints increased to 3,631 compared to 1,291 in 2011.
- In 2012, the number of complaints successfully completed by CFM within 15 days increased by 3% compared to the year 2011 and complaints resolved for more than 30 days were reduced by 7.5%. The table below shows the percentage of the complaint period.

COMPLAINT PERIOD	YEAR		COMPARISON OF PERCENTAGE
	2011	2012	
<15 days	70.18%	73.46%	3.28
<30 days	82.03%	89.55%	7.52
>30 days	17.97%	10.45%	7.52

Table 6 Percentage of the complaint period closed.

4. Membership and Management Committee

- CFM has a membership of 47 members in 2012.

Monitoring and Compliance (Broadcast)

Monitoring and Compliance (Broadcast) Department (JPPP) conduct monitoring and evaluation activities with regards to broadcast content compliance by the Content Applications Service Provider (CASP-I) individual licence holders, based on the Special Licence Conditions and provisions of the law under the Communications and Multimedia Act 1998 (CMA 98).

Recognising that community participation is essential in achieving the regulatory objectives, MCMC strives to increase public awareness and knowledge about media content policies.

Therefore, MCMC is working closely with various government agencies and ministries, including the MICC, Ministry of Home Affairs (MOHA), Ministry of Health Malaysia (MOH), the Film Censorship Board (LPF), the Communications and Multimedia Content Forum (CMCF), Department of Islamic Development Malaysia (JAKIM) and the National Film Development Corporation Malaysia (FINAS) in carrying out various activities to promote self-regulation within the industry and society.

At the same time, MCMC also organised awareness programmes and training to CASP-I Licence Holders as a proactive measure to ensure that the provisions of the relevant legislation regarding broadcast content is complied with. For example, MCMC held 2 training programmes in 2012, the Malay-Speaking Skills Course in May and December, and the Content Monitoring Seminar 2012, in November.

Consumer complaints related to broadcast content such as advertisements, television and radio content is the essential task of MCMC, and hence, MCMC has always sought to act on complaints by monitoring and regulating to facilitate the resolution of complaints received from consumers and resort to enforcement actions, if necessary.

Regulation of Contents

Television

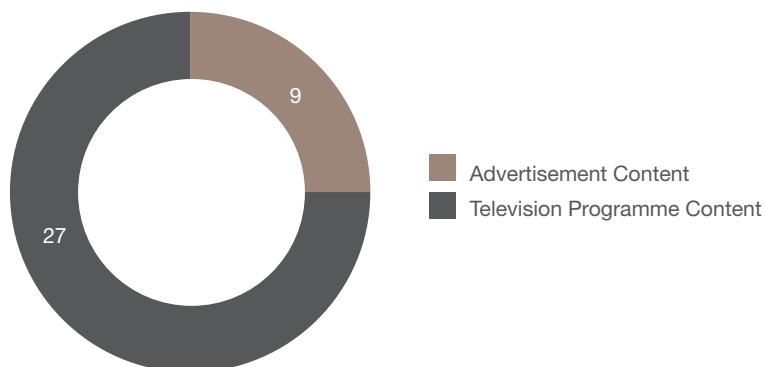


Figure 6 Television complaints received by category in 2012

Figure 6 shows complaints received regarding television. The year 2012 recorded a total of 36 complaints received. The highest number of complaints were complaints related to television programme content, i.e. 27 complaints. Among the complaints were contents with horror or contempt of culture of a people, content that touches on sensitivity and racism, offensive content, and inappropriate discussion topics. A total of 9 complaints were related to advertising content.

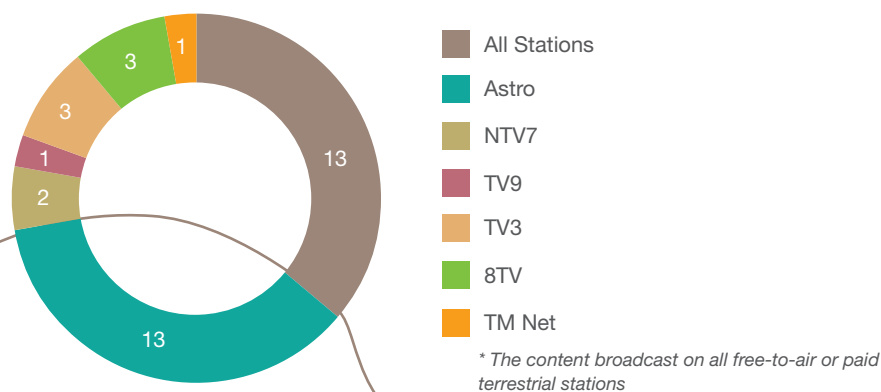


Figure 7 Complaints received, by television stations, in 2012

Figure 7 shows the number of complaints received according to the television stations. Among the stations that received complaints were Astro, NTV7, TV9, TV3, 8TV and TM Net. Astro recorded the highest number of complaints with 13 complaints about advertising and programme contents. This was followed by TV3 and 8TV, where the number of complaints received was 3 complaints, 2 complaints for NTV7, and TV9 and TM Net each with 1 complaint.

Actions Taken in 2012

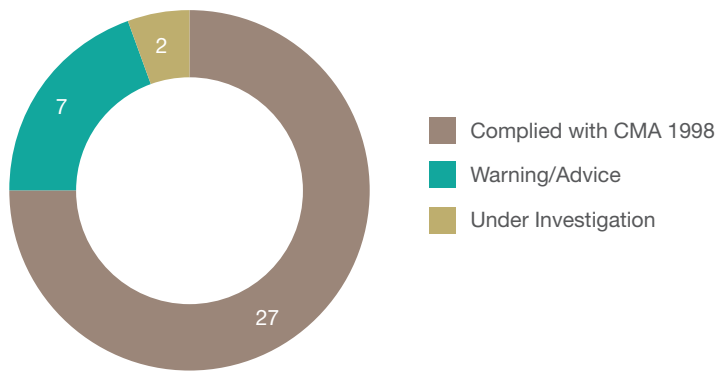


Figure 8 Actions taken for television complaints in 2012

Figure 8 shows the actions taken against the complaints received in 2012. Once processed, most complaints did not violate the CMA 98, where 27 cases were reported. This was followed by 7 cases given a warning/advice and 2 cases still under further scrutiny by MCMC.

Radio

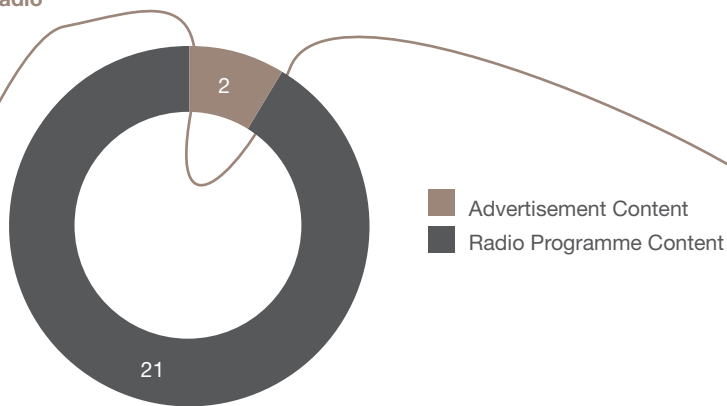
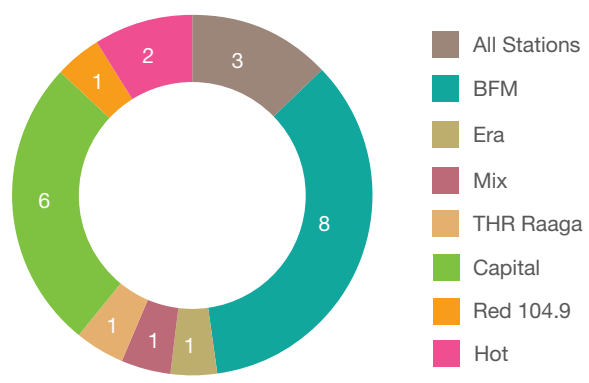


Figure 9 Radio complaints received by category in 2012

Figure 9 shows the actions taken against the complaints for radio. In 2012, the number of complaints received in relation to radio was 23. The highest number of complaints were related to the programme content, i.e. 21 complaints. Among the complaints were elements such as offensive or indecent content, topic of conversation that touches on religious issues, content that does not have positive elements, and content affecting sensitivity and racism. There are only 2 complaints relating to advertising content.



*Content broadcast in all free-to-air or paid terrestrial stations

Figure 10 Complaints received according to radio stations in 2012

Figure 10 diagram shows the complaints received by radio stations. In 2012, complaints were received about 7 radio stations, i.e. the BFM, Era, Mix, THR Raaga, Capital, Red 104.9 and Hot FM. Complaints about broadcasting on all radio stations were related to the content of the advertisements and programme content. BFM has recorded the highest number of complaints, at 8 complaints. Capital followed with 6, Hot with 2 complaints, and 1 complaint was received by each of the respective radio stations, Era, Mix, THR Raaga and Red 104.9.

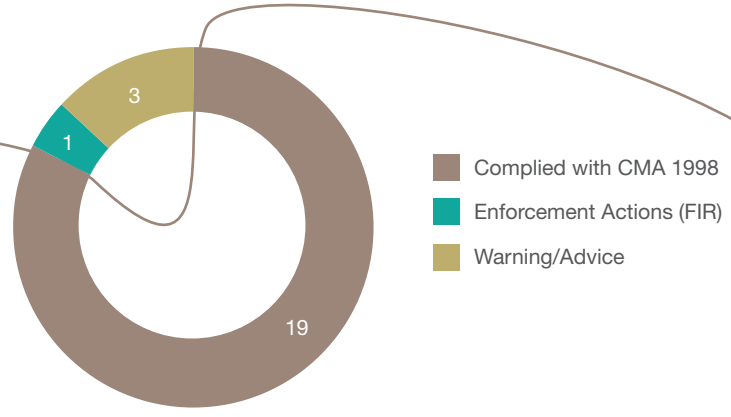


Figure 11 Actions taken for radio complaints in 2012

Figure 11 shows the actions taken to address the complaints received in 2012. Once processed, 19 complaints did not violate the CMA 98. This was followed by 3 cases given a warning/advice and 1 case which required further action from MCMC.

Dealing with Complaints

In managing the growing number of complaints, MCMC adopted a Standard Operating Procedure (SOP) for the Broadcasting Content Complaints Management for television and radio in assessing and addressing the complaints received.

In addition to complaints received from MCMC Consumer Complaints Bureau, there were also complaints received by MCMC from various other law enforcement agencies as well as government agencies such as MICC, KDN, KKM, LPF, CMCF and others.

Research Collaboration between MCMC and Institutions of Higher Education for Networked Media Content

In 2008, a programme called the Research Collaboration between MCMC and Institutions of Higher Education for Networked Media Content was established to realise the National Policy Objectives for the communications and multimedia industry.

The purpose of Research Collaboration Programme was to increase knowledge, research and development in relation to networked media policy and regulation. Research Financial Grant provided under this programme will not only help improve the research capacity of higher education institutions in the country in the field of networked media content, but also increase the number of Malaysian researchers who have experience and expertise in this field. It is also expected that the public at large will be able to benefit from the knowledge resources and applications as a result of this study.

An annual seminar was held to exhibit and present the findings of research funded by MCMC in collaboration with institutions of higher learning in Malaysia, to the public and students. A one-day seminar on the theme “Networked Media Content Seminar 2012” was held at MCMC’s headquarters in Cyberjaya, Selangor, on 30 October 2012. The studies conducted focused on the use and acceptance of new media by Malaysians.

With the increasing influence of new media, its benefits and impacts have become unrestricted. The government takes a serious view of the negative implications such as pornography, false information and online gambling, specifically with regards to enforcements to be taken to improve consumer protection, and to promote the development of local content.

The existence of such negative implications prompted MCMC to establish collaborative research programmes with the institutions of higher education to develop a source of knowledge about the use of new media by Malaysians. The year 2012 was the fifth year of collaboration between MCMC and institutions of higher education to conduct research on networked media content. The studies done covered aspects such as the economy, health, social and so on.

The initiative aims to assist MCMC and the government to achieve national policy objectives, namely to create a healthy and quality online environment. Furthermore, it also aims to produce media-savvy consumers, and educate them to practice self-regulation.

This seminar programme also included a panel discussion on new developments in social media and social business perspective in the context of Malaysia. This brought about an idea of empowerment through social media and promoting a healthy and safe online experience.



In 2012, an additional grant was approved to conduct the following study branches:

UNIVERSITY	RESEARCH TOPIC
International Medical University	'An Intervention for Problematic Internet Use among Young Adults: A Pilot Study'
Universiti Sains Malaysia	"Captivated with Facebook: Constructions, Contexts and Consequences in Sabah and Sarawak"

Table 7 Research Partnership Program grant recipients for 2012

The public will benefit from the research findings through seminars and the publication of MCMC. The results obtained will enable MCMC to determine the appropriate strategy in the face of current and future environment.

Communications and Multimedia Content Forum

Communications and Multimedia Content Forum (CMCF) was authorised by MCMC through the Communications and Multimedia Act 1998 (CMA 98) as the body responsible for facilitating industry regulation by the industry through the provision of Content Code.

CMCF was established in February 2001 to control the content and resolve issues related to media content distributed through an electronic network.

CMCF, appointed by MCMC on 29 March 2001, also operates its Complaints Bureau to address complaints from consumers and industry members on matters related to media content delivered over electronic network media.

During 2012, CMCF was involved in a total of 75 public relations initiatives and awareness activities, as detailed in the table below:

ACTIVITY	FREQUENCY
Exhibition	41
Seminars/Workshops / Conferences	24
Visits	3
Others	7
TOTAL	75

Table 8 The activities carried out by CMCF during 2012

In 2012, a total of 156 complaints were received by the CMCF. A total of 7 requests related to content advice were given. Out of the 156 complaints, 131 complaints were received from the public, 5 complaints were from the industry and 20 complaints were from other parties. CMCF received complaints related to advertising, mobile content, broadcast content, Internet content and others. However, no court cases was reported for 2012.



Summary of complaints received by category is as follows:

CATEGORY	TOTAL COMPLAINTS RECEIVED
Advertising	4
Mobile content/services	41
Broadcast content (TV & Radio)	8
Internet Content	103
Others	0
TOTAL	156

Table 9 Complaints received by CMCF for 2012

CMCF received a total of 7 complaints of advice last year. Out of 7 cases, 71% or 5 cases were reported as Internet content, while another 2 cases as broadcast content.

Summary of complaints received by category is as follows:

CATEGORY	COMPLAINTS OF ADVICE RECEIVED
Advertising	-
Mobile content/services	-
Broadcast content (TV & Radio)	2
Internet Content	5
Services	-
Others	-
Academic	-
TOTAL	7

Table 10 Complaints of advice received by CMCF for 2012

New Media

The Department of New Media (JMB) was established in 2011 to strengthen the monitoring efforts of prohibited content and improve the performance of MCMC in dealing with complaints about online content.



Internet Complaint

In 2012, MCMC reviewed and handled 618 complaints related to Internet content, most of which were received from the public. This represented an increase from the number of complaints received in 2011, which was 522.

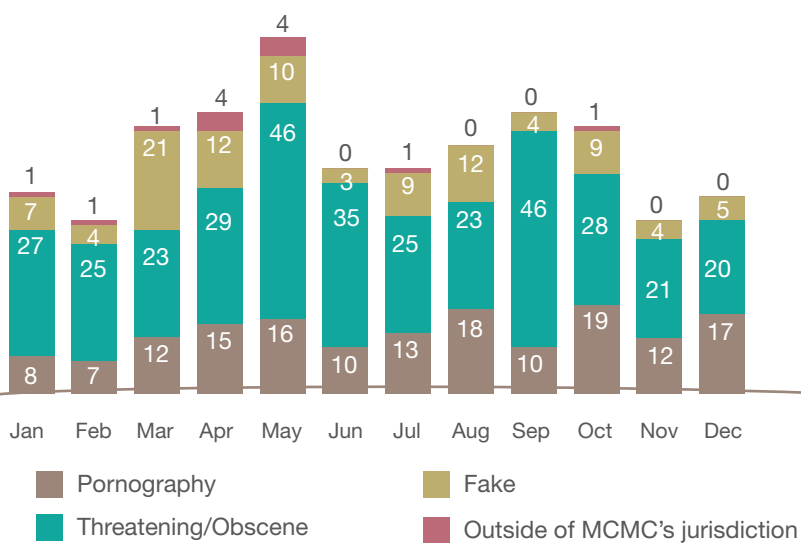


Figure 12 Actions taken against the complaints received in 2012

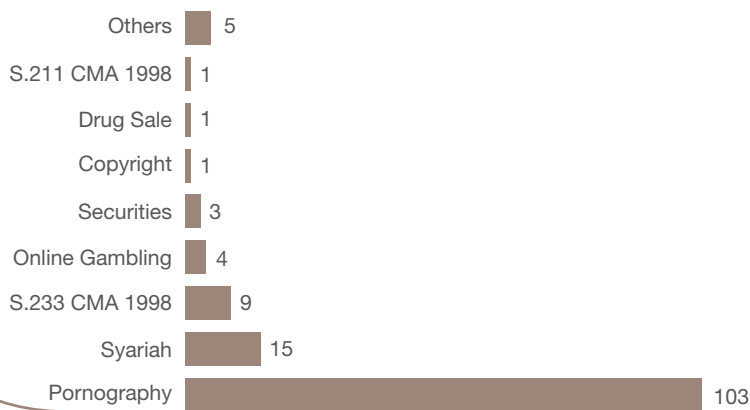
MONTH	WEBSITE/BLOG	SOCIAL NETWORK	EMAIL	SHORT MESSAGE	TOTAL
Jan	30	12	1	-	43
Feb	25	10	2	-	37
Mar	42	13	2	-	57
Apr	45	12	3	-	60
May	48	25	2	1	76
Jun	31	12	4	1	48
Jul	31	12	4	1	48
Aug	29	18	5	1	53
Sep	34	22	3	1	60
Oct	43	13	1	-	57
Nov	24	11	1	1	37
Dec	25	16	1	-	42

Table 11 Type of complaints received based on services in 2012

In dealing with the increase in complaints, MCMC has prepared an internal Standard Operating Procedure (SOP) to ensure that complaints are resolved effectively and equitably.

Evaluation of each complaint will be based on the provisions of Sections 211 and 233 of 1998, Content Code, as well as the relevant guidelines. Among the actions taken in addressing complaints include:

- Report abuse to the administrator or the service provider;
- Notice/warning letter to the owner of the content/website;
- Restrict Malaysian user access to websites;
- Investigation and prosecution under the Communications and Multimedia Act 1998; and
- Escalation to other regulatory agencies.



*Others (Official Secrets Act: 2; Penal Code: 2; Sedition Act: 1)

Figure 13 Website blocked by MCMC for violation of the laws of Malaysia

Monitoring Efforts

Given the number of sites which are too many to be monitored across the board, MCMC carries out monitoring of selected Internet content. At this time, MCMC has identified more than 200 sites monitored continuously. Content monitoring will be scrutinised to ensure they do not conflict with the CMA 1998, the guidelines set forth, or the law of other countries.

Enforcement

Receiving Complaints

Enforcement and Investigation Department (JPS) has received a total of 501 complaints throughout 2012. The number of complaints in 2012 has decreased by 10.2% compared to 2011, which recorded a total of 558 complaints. The decline in the number of complaints in 2012 was due to the relentless efforts of the Commission in awareness programmes like '*Klik Dengan Bijak*' as well as an increased level of public knowledge about the use of the Internet.

Of the total complaints received in 2012, 248 complaints were investigated in detail either in the form of Investigation Papers or Floating File. Based on evidence obtained earlier, 42 out of 253 complaints with the status of 'No Further Action' (NFA) involved offenses beyond the jurisdiction of MCMC and was forwarded to relevant agencies such as the Royal Malaysian Police (RMP), Bank Negara Malaysia (BNM) and the Companies Commission of Malaysia (SSM) for further action.

The balance of 211 complaints with NFA status was characterised by these factors:

- i. The suspect cannot be traced because:
 - a) Address provided is based on the National Registration Department (NRD) search and not the latest address for the suspect;
 - b) Address given is too general, such as an address in a village without premise number (often occurs in Sabah and Sarawak);
 - c) Suspect was a foreigner and no record of the movement of the suspect is found in the database of the Immigration Department of Malaysia (JIM); or
 - d) Involving the registration of prepaid line using false user information or misuse of consumer information.
- ii. Lack of evidence to link the suspect to the offense;
- iii. Administrator or 'server' residing outside the country; or
- iv. Complainant withdrew the complaint and was not interested in continuing the investigation.



Statistics of Complaints Received for the Year 2012

MONTH	TOTAL COMPLAINTS 2012	INTERNAL	EXTERNAL	STATUS			
				FLOATING FILE IN 2012 CONVERTED TO INVESTIGATION PAPER	FLOATING FILE 2012 UNDER INVESTIGATION	NFA	
						OUTSIDE JURISDICTION	OTHER REASON
Jan	84	48	36	12	3	18	51
Feb	35	24	11	7	3	5	20
Mar	44	32	12	4	7	8	25
Apr	44	24	20	4	9	4	27
May	47	42	5	2	9	1	35
Jun	41	35	6	12	17	-	12
Jul	30	23	7	6	9	2	13
Aug	23	17	6	5	9	1	8
Sep	45	36	9	27	9	-	9
Oct	31	25	6	9	13	-	9
Nov	62	53	9	48	11	1	2
Dec	15	11	4	5	8	2	-
TOTAL	501	370	131	141	107	42	211
					248		

Table 12 Statistics of complaints received for the year 2012

Based on Table 12, a total of 370 complaints was received from the departments within MCMC and 131 complaints received from other law enforcement agencies such as PDRM and Malaysian Anti-Corruption Commission (MACC).

MCMC complaint system is flexible, efficient and people friendly, that it allows complaints to be made directly to MCMC via 4 channels, namely: -

- i. Toll-free: 1 800 888 030;
- ii. Email : aduanskmm@cmc.gov.my;
- iii. Portal : <http://aduan.skmm.gov.my>; and
- iv. Walk-in at MCMC Headquarters in Cyberjaya or Regional Offices.



TYPES OF OFFENCES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
NEW MEDIA													
SMS / MMS	48	16	30	20	21	25	21	13	23	20	16	5	258
Email	5	2	4	4	11	0	3	3	3	1	2	0	38
Blog	4	0	0	2	2	1	0	0	1	0	1	2	13
Website	7	2	3	3	0	0	0	0	1	2	0	0	18
Social Sites (Facebook/ Twitter)	4	0	2	6	0	4	1	3	0	3	1	1	25
Portal	0	0	0	0	0	0	0	0	0	0	0	0	0
REGULATORY													
Violation of Conditions of Licence - Failure to Comply with Mandatory Standards	2	0	0	0	5	0	0	0	13	0	31	1	52
Failure to submit a Copy of the Audited Accounts	0	10	0	0	0	0	0	0	0	0	0	0	10
Non-Standard Equipment	7	3	3	5	4	4	3	2	3	4	6	4	47
Section 218 CMA 1998	0	0	1	0	0	0	0	0	0	0	0	0	1
Violation of Conditions of License (Section 127 CMA)	2	1	0	0	0	0	0	0	0	0	0	0	3
Out of Jurisdiction (Computer Crimes Act 1997)	5	1	1	2	0	0	2	0	0	1	1	2	15
PPK&M Technical Standards	0	0	0	1	0	0	0	0	0	0	0	0	1
Section 236, CMA 1998	0	0	0	1	0	0	0	2	0	0	0	0	3
Section 126, CMA 1998	0	0	0	0	4	0	0	0	0	0	0	0	4
Section 188, CMA 1998	0	0	0	0	0	2	0	0	0	0	4	0	6
PPK&M Spectrum	0	0	0	0	0	3	1	0	0	0	0	0	4
Per 34, PPK&M Spectrum- Spectrum Interference	0	0	0	0	0	2	0	0	0	0	0	0	2
Violation of Conditions of License (CASP)	0	0	0	0	0	0	0	0	1	0	0	0	1
TOTAL	84	35	44	44	47	41	30	23	45	31	62	15	501

Table 13 Statistics of complaints received by category for the year 2012

Table 13 illustrates the statistics of complaints received, which are divided into 2 categories, namely New Media and Regulatory. New media complaint types are divided into 6 sub-categories as follows:

- i. Short Messaging Service (SMS)/Multimedia Messaging Service (MMS);
- ii. Email;
- iii. Blog;
- iv. Website;
- v. Social Sites; and
- vi. Portal.

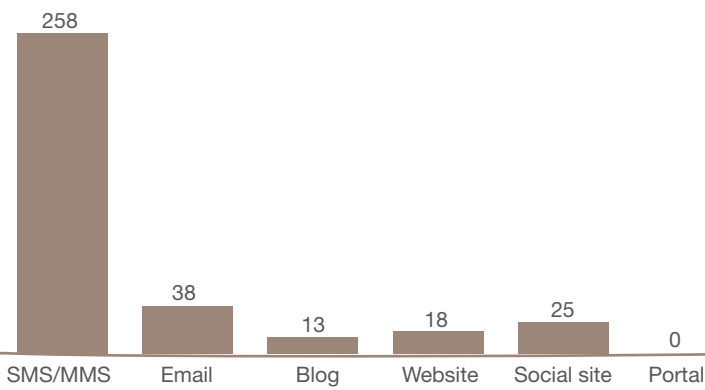


Figure 14 Statistics of complaints received regarding new media for the year 2012

Based on Figure 14, complaints for sub-category SMS/MMS received in 2012 is the highest number, i.e. 73.3% of the entire complaint under the new media category.

The significant gap between the sub-category of complaints SMS/MMS, compared to 4 sub-categories under the category of new media is that mobile phone use is more widespread covering urban and rural areas.

Statistics and Status of Investigation Papers Processed for the year 2012

MONTH	NUMBER OF INVESTIGATION PAPERS	STATUS				
		UNDER INVESTIGATION	NFA	COMPOUND	CHARGED	UNDER SCRUTINY
January	12	7	4	1	0	0
February	7	0	7	0	0	0
March	4	0	4	0	0	0
April	4	1	1	2	0	0
May	2	1	0	1	0	0
June	12	10	0	1	1	0
July	6	4	2	0	0	0
August	5	0	0	2	3	0
September	27	24	2	0	1	0
October	9	7	1	1	0	0
November	48	37	3	6	1	1
December	5	5	0	0	0	0
Total	141	96	24	14	6	1

Table 14 Status of Investigation Papers investigated for complaints received in the year 2012

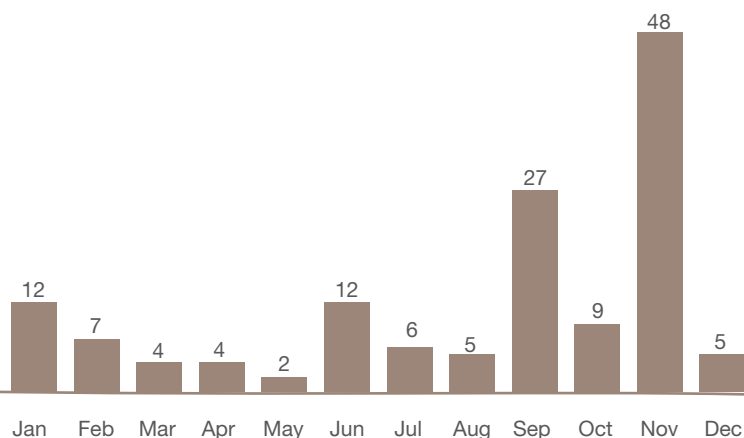


Figure 15 Total of Paper investigations opened by months of the year 2012

Based on Table 14, out of 501 complaints investigated in 2012, a total of 141 Investigation Papers were opened, in which the status of the papers is as follows:

- i. 96 Investigation Papers are still under investigation;
- ii. 24 Investigation Papers with no further action (NFA) on the orders of the Deputy Public Prosecutor (DPP);
- iii. 6 Investigation Papers ordered for the accused to be in court; and
- iv. 14 Investigation Papers were ordered to be offered compound by the DPP.

TYPES OF OFFENCES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
New Media												
SMS/MMS/Crank call	7	6	2	0	2	6	4	1	7	5	7	0
Email	0	0	1	0	0	1	1	0	4	2	0	0
Others												
Non-Standard Equipment	1	0	1	1	0	0	1	4	2	2	1	2
Violation of Conditions of License	4	1	0	3	0	5	0	0	14	0	40	3
TOTAL	12	7	4	4	2	12	6	5	27	9	48	5
141												

Table 15 Statistics about investigation papers opened by category for the year 2012

MONTHS	NUMBER OF INVESTIGATION PAPERS	STATUS			
		NFA	FURTHER INVESTIGATION	COMPOUND	CHARGED
January	18	16	0	2	0
February	23	18	0	0	6
March	12	5	3	2	2
April	12	7	4	0	1
May	14	7	6	0	1
June	21	8	0	1	7
July	8	2	2	1	3
August	23	20	0	0	1
September	10	6	1	0	3
October	6	4	0	1	1
November	14	5	0	5	4
December	25	2	0	3	0
TOTAL	186	100	16	15	29

*26 Investigation Papers were still under scrutiny by the Deputy Public Prosecutor

Table 16 Total Investigation Papers referred to the Deputy Public Prosecutor for 2012

A total number of 186 Investigation Papers were referred to the Deputy Public Prosecutor (DPP) in 2012 which involved the investigation papers opened since 2008 as follows:

YEAR	TOTAL
2012	45
2011	50
2010	47
2009	30
2008	14
OVERALL TOTAL	186

Table 17 Total Investigation Papers that have been referred to the DPP since 2008 until 2012

Out of 186 papers, a total of 29 Investigation Papers have received further instructions from the DPP for prosecution in court as listed in Table 18.

Average Investigation Papers referred by JPS to the DPP for further instructions are 4 Investigation Papers per week.

Cases Charged in Court and Sentenced During the Period January- December 2012

NO	NO. OF INVESTIGATION PAPER	OFFENCES	SUSPECTS	STATUS
1	59/2010	P.29 CO & M (Universal Service Provision)	Smart Digital Communications Bhd	OKS has paid a compound of RM10,000 and the case was in DNAA by the Court on 22 March 2012
2	129/2011	S.127/242 CMA 1998	Everest Mobile Sdn Bhd	OKS pleaded guilty and fined RM50,000 by the Court on 22 May 2012
3	371/2010	S.8 APP 1991	Flash Jordan Courier Sdn Bhd	OKs pleaded guilty and the Court imposed a fine of RM750 (RM250 for a letter) on 18 June 2012
4	151/2011	S.239 CMA 1998	Samewell Sdn Bhd	OKS pleaded guilty and was imposed a fine of RM12,000 on 26 June 2012, and if not paid, will be imprisoned for 14 months
5	214/2010	P.29 PPK&M (Universal Service Provision)	Teleinfo Technology & Services Sdn Bhd	OKS has paid a compound of RM10,000 and the case was in DNAA by the Court on 27 June 2012
6	143/2009	P.29 PPK&M (Universal Service Provision)	Lanvik ICU Sdn Bhd	OKS has paid a compound of RM10,000 and the case was in DNAA by the Court on 24 July 2012
7	IP 16/12	S.127/242 CMA 1998	Radius ED Sdn Bhd (ICE Mobile Sdn Bhd)	OKS pleaded guilty and was imposed a fine of RM20,000 on 27 September 2012 and failing which to be imprisoned for 1 year
8	IP 19/12	S.127/242 CMA 1998	Mobile Multimedia Sdn Bhd	OKS pleaded guilty and was imposed a fine of RM20,000 on 27 September 2012 and failing which to be imprisoned for 1 year
9	IP 216/10	P.29 PPK&M (Universal Service Provision)	Widenet Distributor Sdn Bhd	OKS pleaded guilty and was imposed a fine of RM10,000 by the Court on 2 October 2012
10	60/2011	S.239 CMA 1998	Amtech Signal Solutions Sdn Bhd	OKS pleaded guilty and fined RM5,000 by the Court on 15 October 2012
11	124/2011	S.127/242 CMA 1998	Macro Kiosk Berhad	OKS pleaded guilty and fined RM40,000 by the Court on 16 October 2012
12	IP 1/2012	S.233 (1)(a) CMA 1998	Mohd Ghazali Bin Zainol	OKS pleaded guilty and fined RM3,000 by the Court on 24 October 2012
13	132/12	S.127/242 CMA 1998	M-Mode Sdn Bhd	OKS pleaded guilty and fined RM10,000 by the Court on 31 October 2012
14	211/2010	P.29 PPK&M (Universal Service Provision)	SMS91.Com Sdn Bhd	OKS has paid a compound of RM10,000 and the case was in DNAA by the Court on 1 November 2012
15	203/2010	P.29 PPK&M (Universal Service Provision)	Move Success Sdn Bhd	OKS has paid a compound of RM10,000 and the case was in DNAA by the Court on 5 November 2012

NO	NO. OF INVESTIGATION PAPER	OFFENCES	SUSPECTS	STATUS
16	IP 209/10	P.29 PPK&M (Universal Service Provision) PPKM(PP)	Paycomm Sdn Bhd	OKS has paid a compound of RM10,000 and the case was in DNAA by the Court on 5 November 2011
17	IP 111/10	P.29 PPK&M (Universal Service Provision)	Lotus West Sdn Bhd	OKS has paid a compound of RM10,000 and the case was in DNAA by the Court on 27 November 2012
18	IP 39/12	S.233(1)(a) CMA 1998	Hasdiana Binti Hashim	OKS pleaded guilty and fined RM5,000 by the Court on 20 December 2012
19	IP 79/12	S.239 CMA 1998	Wei Mobile & Repair Centre	OKS pleaded guilty and fined RM10,000 by the Court on 22 December 2012
20	IP 15/12	S.127/242 CMA 1998	IKOGO Sdn Bhd	OKS found guilty and fined RM30,000 by the Court on 27 December 2012
21	IP 53/12	S.239 CMA 1998	Seri Alha Ibrahim	OKS pleaded guilty and fined RM10,000 by the Court on 9 January 2013
22	IP 356/08	P.29 PPK&M (Universal Service Provision)	Mobile Wallet Sdn Bhd	DNAA Case in Court 16 January 2013 because the suspect can not be traced
23	IP 201/10	P.29 PPK&M (Universal Service Provision)	Level 1 Communication Sdn Bhd	The hearing on January 31, 2013
24	IP 301/08	P.29 PPK&M (Universal Service Provision)	MyKris Asia Sdn Bhd	The first mention on 31 January 2013
25	IP 48/11	S.239 CMA 1998	Tan Siew Kheong	The first mention on 5 February 2013
26	IP 80/12	S.239 CMA 1998	Mohd Rozaid Bin Mohd Suhani	The second mention on 5 February 2013
27	IP 35/11	S.239 CMA 1998	Mahmud Said	Date of mention yet to be obtained
28	IP 38/11	S.239 CMA 1998	Low Cheng Eng & Sons Trading S/B	Date of mention yet to be obtained
29	IP 52/12	P.2000 Technical Standard	MSB Technology (M) Sdn Bhd	Date of mention yet to be obtained

Table 18 Cases brought to court and sentenced in the period of January - December 2012



Enforcement Activities

ACTIVITY	TOTAL
Raid	80
Monitoring	62
Recording Conversations	442
Integrated Operations	
i. SPAD	
• Ticket touts operation - at Pudu Sentral, Kuala Lumpur on 18/05/2012	
ii. PDRM	
• Online Gambling - Kuala Klawang, Negeri Sembilan on 23/3/2012 and 23/05/2012	
iii. KLIA	
• Fake Prepaid Card Registration - at KLIA on 17/12/12	
iv. ASTRO	
• Non-standard devices or equipments - in the Northern Region on 5/10/2012	
Total	589

Table 19 Enforcement activities conducted for the year 2012

Administrative Activities

ACTIVITY	TOTAL
Cooperation with Enforcement Agencies	4
Talk	15
Meeting	25
Training/Courses/Seminars	
i. Seminar on 'Joint Session with Blogger' (MCMC)	
ii. Practical Training and Team Building (MCMC)	
iii. Effective Investigation, Prosecution and Advocacy Programme - Module 1 (JPN)	
iv. Effective Investigation, Prosecution and Advocacy Programme - Module 2 (JPN)	
v. Effective Investigation, Prosecution and Advocacy Programme - Module 3 (JPN)	
vi. Workshop on Preparation of Cabinet Papers (MICC)	
vii. Communications Equipment Certification Seminar (MCMC and SIRIM)	
viii. Seminar CEIS - Conference For E-Discovery, Cyber Response and Digital Investigation, Nevada, USA	
ix. Seminar Policy on TVRO Services and Strategies to Combat Challengers From TVRO with a delegation of Brunei (MCMC)	
x. Working visit to the Supreme Prosecutor's Office (SPO) of Korea and the Korean National Police Agency (KNPA) Digital Forensic Lab	
xi. Fundamental Course on Investigation and Intelligence for External Agency (MACC)	
Total	55

Table 20 Administrative activities held for the year 2012

Market Regulation

Competition

Competition complaints received by the Commission in 2012 deals with the exclusive content of the broadcast content. To overcome this situation, MCMC has issued a list of national interest sports content as well as formulated the “*Dasar Wajib Siar*”.

However, MCMC found that the industry has volunteered to commercial negotiations and reached an agreement on sports content and programmes broadcast by free-to-air broadcasters. Therefore, MCMC does not need to implement these policies.

One of important actions taken by MCMC in 2012 to increase competition is the implementation of accounting separation in Malaysia. Accounting separation is a system for record keeping and reporting of accounting information for regulatory purposes. It aims to increase the level of transparency and can be used by MCMC to assess anti-competitive behavior such as price discrimination and cross-subsidies.

There are various separation steps that can be taken by regulators such as the separation of business functions, separation of the company's structure and sale of company. Accounting separation is the easiest step of isolation and the least burdensome to service providers, but still achieving the objectives of MCMC.

Accounting separation has multiple benefits. For regulators, it will increase transparency for regulators because they will get detailed information about market gains for the cost of services that help reduce information asymmetry. Regulators thus able to detect anti-competitive behavior in the market. For service providers, the accounting separation will help them to look at the cost per unit and profit for each of the services offered. When current cost is used, the provider will understand the impact of technological change on the profitability of the company. For consumers, in the long run, accounting separation will increase competition in the market, which will increase the choice of services at reasonable prices.

The implementation of accounting separation is a very big step for the service provider and MCMC, as it requires time and human resources. Given the impact of the accounting separation on service providers and consumers, MCMC has conducted a public inquiry from 7 September to 31 October 2012 to promote effective consultation process before MCMC makes a decision on the service provider to implement accounting separation.

On 30 November 2012, MCMC published a report on the public inquiry. In that report, the MCMC has decided that only mobile network and fixed network operators should implement accounting separation because they offer wholesale services used by retailers themselves and also other companies to offer services.

Access

In 2012, MCMC conducted an inquiry to review access pricing. Affordable access pricing to wholesale services is essential to encourage sustainable competition in the industry so as to guarantee the long-term interest of consumers. Wholesale price based on costs would boost investments in the industry and encourage new service providers to enter the market.

Thus, in the course of this inquiry, MCMC ensures that the access provider and the recipient needs are accounted for so that access to telecommunications services are offered efficiently. Wholesale services in this context refers to the services listed in the access list. At present, there are 19 wholesale services in the access list, and the inquiry was conducted to determine the wholesale pricing with the appropriate rate.

Given that access pricing affects service providers, consumers and industry, since October 2011, MCMC initiated an inquiry to determine the cost of services in the access list. For this purpose, MCMC has collected data from the service provider and thus has resulted in 5 economic cost models. Throughout this study, MCMC has also held talks with service providers to obtain feedback about the economic cost models.

Furthermore, MCMC has conducted a public inquiry from 1 October to 14 November to promote effective consultation process before MCMC makes a decision on access pricing. At the end of the public inquiry, the MCMC received 14 submissions. Taking into account all submissions received, MCMC published a report on the public inquiry on 14 December 2012.

In the report of the public inquiry, MCMC has stated its decision to determine the access pricing for certain services in the access list, because MCMC is of the opinion that commercial negotiations are unlikely to produce results that bring long-term benefits for consumers. However, MCMC will encourage commercial negotiation between the access providers and recipients of access.

For certain services, such as the origination services and termination services for mobile and fixed networks, MCMC has decided to determine access pricing gradually over a period of 3 years to ensure the stability of the industry.

On 21 December 2012, MCMC determines Mandatory Standards on Access Pricing, which determine access prices for the period 2013 to 2015.

Consumer Protection and Complaints Bureau

As the receiving centre of complaints to MCMC, the Consumer Complaints Bureau received numerous complaints about telecommunications, broadcasting, the Internet, and postal and courier services.

A total of 9,826 complaints were received by the Consumer Complaints Bureau during 2012, an increase of 6.5% compared to the 9,222 complaints received in 2011.

Comparison of complaints received since 2002 is shown in Figure 1.

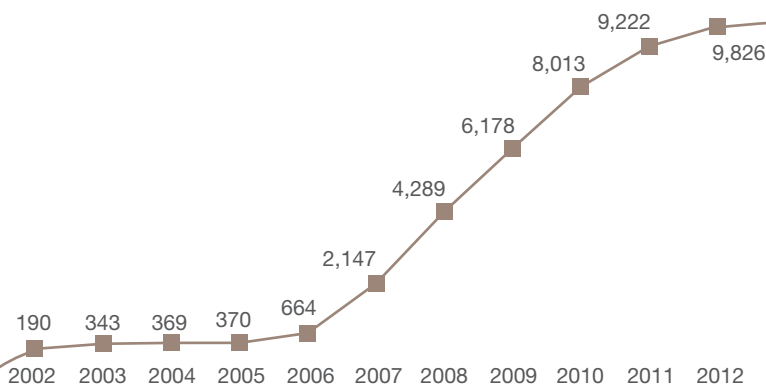


Figure 1 The number of consumer complaints received from 2002 until 2012

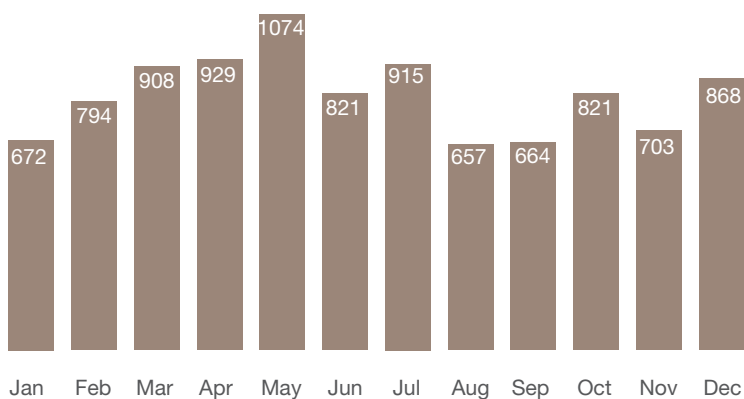


Figure 2 The number of complaints received by month for 2012

The majority of complaints were received from the public, as much as 88%, and the rest are from other law enforcement agencies, government agencies and consumer organisations.

MCMC Complaints Portal Channel (<http://aduan.skmm.gov.my>) is the preferred choice of the complainant to file complaints to MCMC, of which 50% (4,927 complaints) were received through this channel. Number of complainants who appear in person at MCMC's office has also increased by 17% (764 complaints) compared to 652 complaints in 2011.

In addition, a total of 7,617 calls were received through the hotline 1800 888 030, of which 537 cases (compared to 318 cases in 2011) were recorded as complaints, and the rest (7,080 calls) were calling for inquiries, advice or follow-up on the case being reported. This increase is believed to be influenced by a variety of projects launched by MCMC such as 1Malaysia Netbook project, KTW, Youth Communications Package and *Klik dengan Bijak*, where it involves the participation of the public at large. Other complaint channels also available to the public are through email, SMS, mail and fax.

About 70% of the 9,826 complaints received in 2012 were related to service provider and service performance. The highest type of complaint involved quality of service, totaling 2,254 cases (23%), where the main issue was the disruption of service and poor Internet connection. Other complaints received were regarding bills and charges, particularly in respect of the dispute over data and roaming charges, short messaging service (SMS), which involves the service provider of mobile content, coverage service, misleading promotion by agents or advertising, false registration, unfair practices, postal and courier services, and disputes over the terms and conditions.

Although the number of complaints received by MCMC were small compared to the number of users of telecommunications in Malaysia, MCMC has been the last channel for users to raise complaints if they were not resolved after complaints are being made to the service provider and the Consumer Forum.

The remaining 30% of the total complaints received were related to provisions and actions under MCMC jurisdiction. These types of complaints involved new media content, SMS, MMS, TV and radio, KTW, cyber crime such as 'phishing', spectrum interference, 1Malaysia Netbook, telecommunication structure and radiation, illegal construction of parabolic TV transmitter, and a variety of other complaints.

MCMC also received complaints that were not under its jurisdiction, such as online purchases, investments or express cash scheme, copyright issues and others. The complaints were referred to the relevant agencies for further action.

On average, 21% of 9,826 complaints were resolved within 72 working hours, which exceeded the target Key Performance Indicator (KPI) set by the ministry for the year 2012.



NO.	COMPLAINT CATEGORY	NO. COMPLAINT
1	Unsatisfactory service	2,254
2	Content issues - the website/blog/social networking, TV, radio, SMS, email	1,578
3	Billing and charging	1,513
4	SMS service - no subscription, promotions, spam, scams	1,175
5	No area coverage service or less satisfying - cellular, broadband/3G, fixed line, TV & radio	835
6	<i>Kampung Tanpa Wayar</i> (KTW)	466
7	Cyber crime	424
8	Spectrum interference	346
9	Others	243
10	Misrepresentation of service provided - misconduct of agent/misleading promotion	238
11	Not under the jurisdiction of MCMC	199
12	False/fraudulent registration	141
13	Unfair practices	100
14	Postal and Courier	65
15	1Malaysia Netbook	64
16	Telecommunications structure/radiation	64
17	Parabolic TV/non-standard equipment	62
18	Disputes over terms and conditions	22
19	Amateur Radio/apparatus	22
20	Unregistered operator	15
TOTAL		9,826

Table 1 Category/type of complaints received in 2012

Market Research and Intelligence

Market Intelligence and Research Department is responsible for the Annual Industry Performance Report (IPR) as set forth in Part V, Chapter 15 of the Communications and Multimedia Act 1998. IPR report covers trends and developments in the communications and multimedia industry, including economic and financial performance, licensing activities, consumer protection, industry development, the provision of universal service program, and anticipated future market.

The Department also provides data and analysis of the performance of the traditional communications such as information regarding company revenue and market capitalisation, as well as identifies and reports the progress of specific topics and their impact to the industry. This information is for use by MCMC and government agencies.



Network Security and Surveillance

Digital Security Management

Management and Maintenance of .my Domain Names

In accordance with Section 181 (1) of the Communications and Multimedia Act (CMA) 1998, MCMC has appointed MYNIC Berhad (MYNIC) as the administrator to manage and maintain an integrated electronic address database in Malaysia. MCMC as a regulatory body to oversee the compliance issues plays a role in promoting and planning strategies in the development of the domain name *.my*.

Increase .my domain name registration rate

MCMC always emphasises efforts to increase the registration rate of *.my* domain name in Malaysia. For 2012, MCMC has sponsored a number of activities together with MYNIC to achieve those objectives.

The activities are:

- i. Training and Promotion Programme “Get Malaysian Business Online”; and
- ii. Programme Jointly Organised by the Malaysian Youth Council.

Cyber Security

Implementation Of MS ISO/IEC 27001:2007 Certification for Information Security Management System (ISMS) for The Communications and Multimedia Sector

The Cabinet Meeting on 24 February 2010 had taken note that the level of national critical security information will have to meet the international standards, which can be achieved through the implementation of certification for MS ISO/IEC 27001:2007 Information Security Management System.

In accordance with the Cabinet decision, MCMC as a regulator of the communications and multimedia through the Ministry of Information Communications and Culture (MICC) has identified 11 critical organisations in the communications and multimedia industry that require this certification. The stipulated timeline was before January 2013 as part of Phase 1 implementation of ISMS in Malaysia.

The 11 identified critical organisations are:-

- i. Telekom Malaysia Sdn Bhd
- ii. Jaring Communications Sdn Bhd
- iii. Time dotCom Bhd
- iv. NTT MSC Sdn Bhd
- v. Maxis Berhad
- vi. Celcom Axiata Berhad
- vii. DiGi Telecommunications Sdn Bhd
- viii. U Mobile Sdn Bhd
- ix. Media Prima Berhad
- x. Measat Broadcast Network Systems Sdn Bhd
- xi. .my DOMAIN REGISTRY

In addition to the ongoing monitoring and ensuring that the selected agencies implement the ISMS within the scope and time frame, MCMC also organised a series of workshops to assist identified organisations in obtaining ISMS ISP 27001 certification status.

Among the workshops are:

i. Seminar on Information Security Management System

The seminar organised on 23 May 2012 stressed the human/employee error which is a key factor of information security failures in managing an organisation.

ii. "ISMS Lead Auditor" Course

Following the first course held in 2011, MCMC organised 2 more courses "ISMS Lead Auditor" to recognise more professionals in the communications and multimedia industry as lead auditors for ISMS. This recognition can assist organisations in obtaining MS ISO/IEC ISMS 27001:2007 certification. The course, attended by 20 participants, was successfully held from 13 to 17 February 2012 and from 5 to 9 March 2012.

iii. Course on "Information Security Management System: Comprehensive Implementation Training"

MCMC did not ignore other agencies under the communications and multimedia industry which were not identified as the country's critical agency. Recognising the importance of awareness on information safety at all agencies, MCMC invited a total of 32 participants from a number of selected agencies to attend the three-day course. In this course, participants were introduced to the ISO 27000 standard, its needs and interests, as well as the certification implementation and guidelines.

Digital Forensics

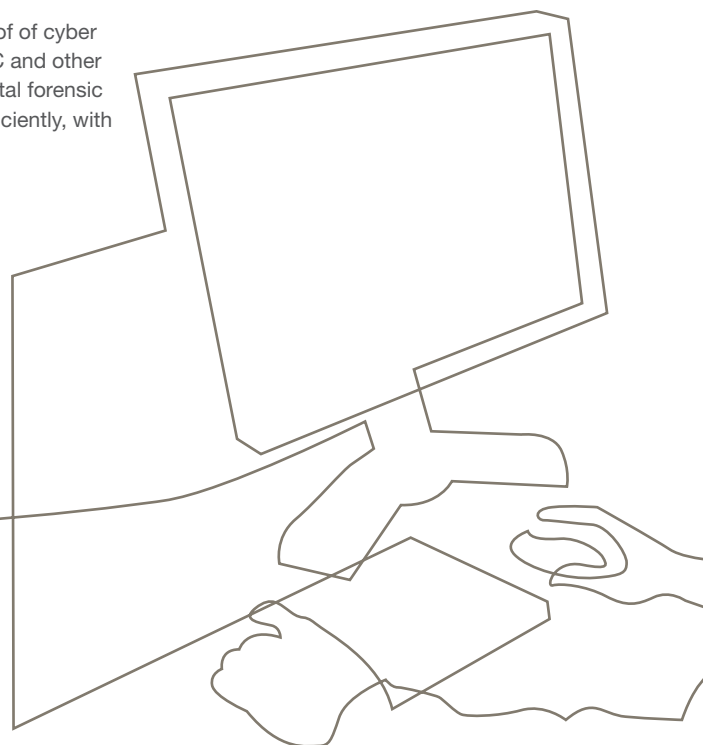
Digital Forensics in Malaysia is a new field in the area of information security. It is defined as a discipline which combines elements of law and computer science to preserve, collect and analyse data from computer systems, network systems, wireless devices and data storage devices based on the rules defined in the Standard Operating Procedure (SOP) to maintain the chain of custody so that investigation report prepared can be regarded as evidence in a court trial.

Early involvement of MCMC in the field of Digital Forensics

The idea of setting up a digital forensic laboratory was proposed in early 2010 at MCMC. Implementation of laboratory construction commenced from March to December 2012 in which each laboratory should follow standard guidelines set by the The American Society of Crime Laboratory Directors (ASCLD) as well as ISO/IEC 17025:2005 General Requirements and Competence of Testing and Calibration Laboratories.

With the establishment of Digital Forensics lab at MCMC, complaints of cyber crime cases can be solved in a short time with the availability of high-tech equipment in accordance with current developments through the best, accurate and fast analytical procedure and the expertise of its employees.

Digital Forensics Laboratory will begin operation in early 2013 and will offer proof of cyber crime cases to the cases which are investigated under the jurisdiction of MCMC and other enforcement agencies involving the use of digital devices. Establishment of digital forensic labs are expected to meet the demand for evidence of cyber crimes quickly, efficiently, with integrity and efficiency.



Digital Forensics Laboratory at MCMC

Digital Forensic Laboratory at MCMC consists of the following laboratories:

TYPE OF LABORATORY	DESCRIPTION
Computer Forensics	Cyber crime cases involving the use of digital devices such as computers, data storage devices such as USB, CD, Hard Disk, Tablet and others, will be analysed in the lab. The equipment used in the processing and investigation of computer forensics is like EnCase, FTK, MacQuisition and others.
Mobile Phone Forensics	The laboratory operates to process the data from all types of mobile phones from a variety of brands such as Samsung, iPhone, Nokia, Alcatel and China Phones, operating in a variety of distinctive operating systems such as Android, iOS, Symbian and others. Information obtained as a result of the analysis of a mobile phone are contents such as SMS, MMS, Call Log, Contacts, Whatsapp, and other information stored in the phone.
Data Recovery Forensics	This laboratory serves to recover data that has been lost, deleted, corrupted, or inaccessible for any reason. Often, the 'saved' data is from the hard disk, SSD, USB Flash Drive, CD, DVD and others. Data recovery procedures need to be performed in Clean Room because electronic equipment is sensitive and can not be totally exposed to dust or fine particles which can cause damage to electronic equipment.
Data Imaging Laboratory	Data Imaging Laboratory works to create a duplicate copy of digital evidence (imaging) which is similar to the original evidence and will be analysed in the Computer Forensics Laboratory for proof of evidence.

Table 1 Digital Forensic Laboratories at MCMC



Course and Training

To strengthen the integrity of the investigation of cyber crime cases and to improve staff competency, the digital forensic staff have undergone extensive specific trainings domestically and abroad, and have gained experience and exposure from the various cases analysed. Among the intensive training undergone are as follows:

NAME OF TRAINING	DATE	LOCATION
Forensics Acquisition and Analysis	18 - 22 June 2012	Kuala Lumpur
Intermediate Forensics Analysis	25 - 29 June 2012	Kuala Lumpur
Data Recovery	16 July - 17 August 2012	South Korea
Encase Computer Forensic I	4 - 7 September 2012	Kuala Lumpur
Encase Computer Forensic II	11 - 14 September 2012	Kuala Lumpur
ISO17025 Lab Quality Management	18 - 20 September 2012	MCMC
Macintosh Forensics	8 - 12 October 2012	Kuala Lumpur
Linux Forensics	15 - 19 October 2012	Kuala Lumpur
Clean Room	22 - 23 October 2012	MCMC

Table 2 List of intensive training

MCMC Digital Forensics Department was also invited to conduct a series of workshops to assist other agencies as follows:

COURSE NAME	DATE	LOCATION
Cyber Security	31 January 2012	Cheras Royal Police College
Blog Investigation and Computer Forensics	19 March 2012	Judicial and Legal Training Institute (ILKAP)
Cyber Crime Investigation	26 March 2012	Cheras Royal Police College
Preservation and Analysing of Electronic Evidence <ul style="list-style-type: none"> • Identification of Offender 	10-12 September 2012	Judicial and Legal Training Institute (ILKAP)

Table 3 List of training workshops organised by MCMC Digital Forensics Department to other agencies

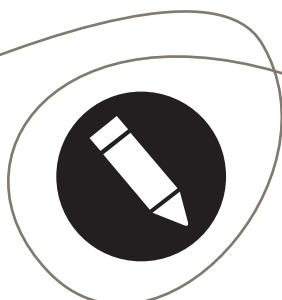
MCMC Network Security Centre

Objective

In line with the National Cyber Security Policy (NCSP) and the 10th National Policy Objective under the Communications and Multimedia Act 1998 (CMA 1998), the main objective of the MCMC Network Security Center (SNSC) is to provide preventive early warnings to all relevant stakeholders in Malaysia. We also serve as the national Internet network thermometer to provide overall understanding of macro cyber threat level with the involvement and cooperation of both public and private sectors.

Activities in 2012

1. The MCMC Network Security Centre works with Internet service providers in active network monitoring to ensure a secure and reliable network. The centre handled about 12,500 cases in the year 2012.
2. The centre also collaborates with the Internet Banking Task Force (IBTF) on banking fraud and other financial industry network related issues. About 3,505 phishing sites that targeted local and foreign banks were taken down in 2012.
3. MCMC Network Security Centre takes the role of sector lead for Communication sector for Critical Network Information Infrastructure (CNII) protection.



4. Roll out activities such as cyber drill exercise for the communication and multimedia industry to increase the preparedness of stakeholders to handle cyber security incidents. Achievements in 2012 includes the following:
 - Conducted the 1st Malaysian ISP Cyber Drill;
 - 14 teams from 13 ISPs participated in the cyber drill on 19 July 2012; and
 - Training was conducted on 16 July 2012, before the drill, to provide needed technical knowledge to the participants.
5. MCMC Network Security Centre works with MKN to ensure nationwide readiness in dealing with cyber security incidents and network infrastructure security.
6. MCMC participated in cyber drills at national and regional levels to enhance coordination with counterparts locally and internationally.
7. Participated in ASEAN Cyber Incident Drill (ACID) with 9 other countries – Singapore, Brunei, China, India, Indonesia, Japan, Myanmar, Thailand and Vietnam. A total of 91 participants joined the annual drill, which focused on mobile malware propagations. The drill was conducted on 12 September 2012.
8. The centre educates and conducts technical awareness-raising activities on network security via quarterly industry talks with industry experts. MCMC Network Security Centre conducted 2 industry talks in 2012 with speakers from SANS Institute, SPIRENT, F-SECURE and Security Vitamins.
9. The centre maintains MCMC cyber security portal at <http://snc.skmm.gov.my>, which provides up-to-date information on cyber security news to inculcate security awareness in cyber space.
10. MCMC Network Security Centre works with MCMC Academy to increase technical skills of internal and industry personnel via certifications and technical trainings.
11. ANS Training and certifications were given to 19 people (11 from MCMC and 8 from the industry).

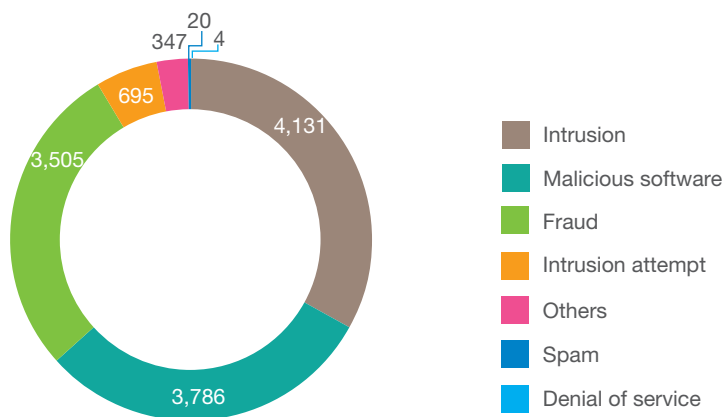


Figure 1 Number of cases received in 2012

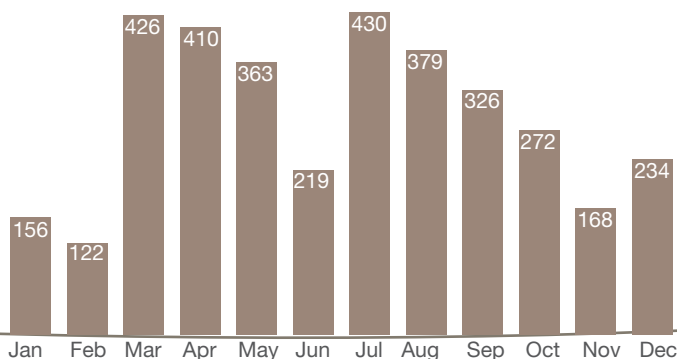


Figure 2 Phishing cases handled in 2012

Prosecution

As for 2012, the Prosecution Department has received a total of 257 investigation papers for the Deputy Public Prosecutor's further instructions. A total of 22 cases were ordered by the Deputy Public Prosecutor to be charged in court, 124 investigation papers for further investigation, 24 investigation papers relating to appeal or offered compound, and 87 investigation papers were ordered to be closed (NFA).

Here is a breakdown of the number of investigation papers received by the Prosecution Department for year 2012:

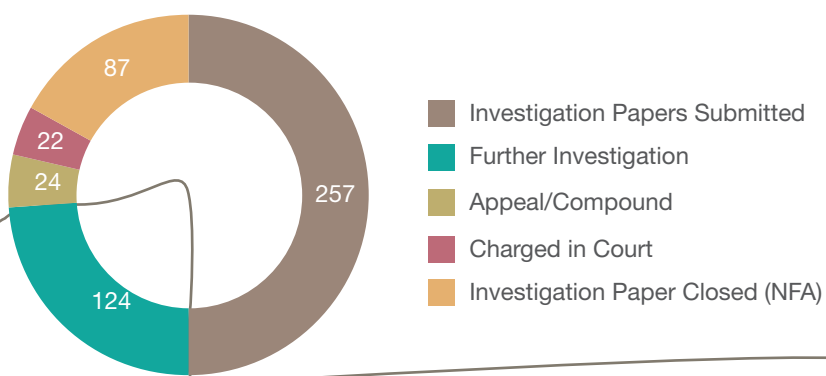


Figure 1 Statistics of Investigation Papers received by the MCMC Prosecution Department for year 2012

The list and status of cases that have been charged in court throughout 2012 are as follows:

No.	ACCUSED	OFFENSE	DATE CHARGED	STATUS	COURT DECISION
1.	Move Success Sdn Bhd	Failed to submit Audited Account and Net Income Statement	10 May 2012	Discharge Not Amounting to an Acquittal (DNNA)	Fined RM10,000
2.	Macro Kiosk Berhad	Non-compliance with licence class conditions	22 May 2012	Pleaded Guilty (PG)	Fined RM40,000; 2 months imprisonment as failed to pay
3.	Everest Mobile Sdn Bhd	Non-compliance with licence class conditions	22 May 2012	Pleaded Guilty (PG)	Fined RM50,000; 8 months imprisonment as failed to pay
4.	Teleinfo Technologies Sdn Bhd	Failed to submit Audited Account and Net Income Statement	22 May 2012	DNAA	Fined RM10,000
5.	SMS91.com Sdn Bhd	Failed to submit Audited Account and Net Income Statement	29 May 2012	DNAA	Fined RM10,000
6.	Samewell Sdn Bhd	Supplying substandard equipment or devices	25 May 2012	Pleaded Guilty (PG)	Fined RM12,000; 14 months imprisonment as failed to pay
7.	Flash Jordan Courier Sdn Bhd	Delivering courier services without valid licence	18 Jun 2012	Pleaded Guilty (PG)	Fined RM7,500; 6 days imprisonment as failed to pay
8.	Amtech Sdn Bhd	Supplying substandard equipment or devices	25 Jun 2012	Pleaded Guilty (PG)	Fined RM5,000
9.	Larvik ICU Sdn Bhd	Failed to submit Audited Account and Net Income Statement	24 Jul 2012	Pleaded Guilty (PG)	Fined RM10,000
10.	Ghazali Zainol	Sending text message (SMS) that is obscene in nature	1 Aug 2012	Pleaded Guilty (PG)	Fined RM3,000; 3 months imprisonment as failed to pay
11.	Ice Mobile Sdn Bhd	Non-compliance with licence class conditions	27 Sept 2012	Pleaded Guilty (PG)	Fined RM20,000; 1 year imprisonment as failed to pay
12.	Mobile Multimedia Sdn Bhd	Non-compliance with licence class conditions	27 Sept 2012	Pleaded Guilty (PG)	Fined RM20,000; 1 year imprisonment as failed to pay

* DNAA - Discharge not amounting to an acquittal

** PG - Plead Guilty

No.	ACCUSED	OFFENSE	DATE CHARGED	STATUS	COURT DECISION
13.	Widenet Distributor Sdn Bhd	Failed to submit Audited Account and Net Income Statement	2 Oct 2012	Pleaded Guilty (PG)	Fined RM10,000; 6 months imprisonment as failed to pay
14.	Paycomm Sdn Bhd	Failed to submit Audited Account and Net Income Statement	2 Oct 2012	DNAA	Fined RM10,000
15.	Level 1 Communication Sdn Bhd	Failed to submit Audited Account and Net Income Statement	30 Oct 2012	Pleaded Guilty (PG)	Fined RM10,000; 6 months imprisonment as failed to pay
16.	M-Mode Mobile Sdn Bhd	Non-compliance with licence class conditions	31 Oct 2012	Pleaded Guilty (PG)	Fined RM10,000, 5 months imprisonment as failed to pay
17.	Ikogo Sdn Bhd	Non-compliance with licence class conditions	22 Nov 2012	Pleaded Guilty (PG)	Fined RM30,000
18.	Mobile Wallet Sdn Bhd	Failed to submit Audited Account and Net Income Statement	27 Nov 2012	DNAA	Failed to serve summons
19.	Lotus West Sdn Bhd	Failed to submit Audited Account and Net Income Statement	27 Nov 2012	DNAA	Fined RM10,000
20.	Hasdiana Hashim	Sending text message (SMS) that is obscene in nature	20 Dec 2012	Pleaded Guilty (PG)	Fined RM5,000; 6 months imprisonment as failed to pay
21.	Wei Mobile Sdn Bhd	Supplying substandard equipment or devices	20 Dec 2012	Pleaded Guilty (PG)	Fined RM10,000; 6 months imprisonment as failed to pay
22.	Mykriss Asia Sdn Bhd	Failed to submit Audited Account and Net Income Statement	27 Dec 2012	DNAA	Fined RM10,000

* DNAA - Discharge not amounting to an acquittal

** PG - Plead Guilty

Table 1 Statuses of the cases that have been charged in court for year 2012



MCMC Prosecution Department (JP) was also involved in a series of seminars and presentations throughout 2012 to strengthen and improve the organisation's quality. At the same time, JP should also be prepared with the amendments to the laws of the country and among the most important amendment in 2012 is the inclusion of Section 114A of the Evidence Act 1950 whereby a new entry section will impact the process of prosecution. Among the courses and seminars attended by representatives of JP are as follows:

- i. Finalisation of CMA 1998 review with the Legal Counsel of MCMM at Shangri-La Putrajaya on 18 - 20 April 2012;
- ii. Prosecution Conference organised by Prosecution Division, Attorney General's Chambers in Lumut, Perak, on 25 - 27 April 2012;
- iii. "3rd International Cyber & Economic Crime Conference" at Boulevard Hotel, Kuala Lumpur, on 23 - 24 May 2012;
- iv. Cyber Laws in Malaysia Course at the Judicial and Legal Training Institute (ILKAP), Bangi on 11 - 13 June 2012;
- v. Presented a talk titled Cyber Criminal Offences under the Communications and Multimedia Act 1998 in UiTM Menggatal, Sabah on 13 September 2012;
- vi. Asia Pacific Regional Court Mock Exercise on Fighting Cyber crime: Bridging the Gap between Prosecutorial Practice and Technical Reality organised by the International Telecommunication Union (ITU) and Ministry of Communication and Information Technology (MCIT), Republic of Indonesia, at the Millennium Hotel in Jakarta, Indonesia on 18 - 19 September 2012;
- vii. Investigation and Prosecution Training by Appellate and Trial Division AG Chambers at the MCMC Academy on 1 - 2 October 2012; and
- viii. The use of Technical Devices in Assisting Criminal Prosecution & Civil Litigation at Judicial and Legal Training Institute (ILKAP), Bangi on 27 - 28 November 2012.

During the year 2012, JP prepared monthly reports for submission to the MICC. This is followed by monthly statistical reports that were prepared and presented to the Prosecution Division of the Attorney General's Chambers, through monthly statistics meetings chaired by the Prosecution Division Head, Attorney General's Chambers.

To date, there is a Deputy Public Prosecutor and 2 Prosecuting Officers in JP tasked to handle cases at the Sessions Court and Magistrate's Court in the country. All investigation papers would be reviewed by the Deputy Public Prosecutor in MCMC Prosecution Department, but there are also investigation papers that will be referred to the General and Sexual Crimes Unit, Attorney General's Chambers, and/or to the Prosecution Division of the Attorney General's Chambers, for further instructions (if necessary) and for classified or high-profile cases.



Licensing and Assignment

Licensing

MCMC is responsible for issuing licences under the Communications and Multimedia Act (CMA) 1998, the Postal Services Act (PSA) 1991, Digital Signature Act (DSA) 1997.

Licence under the Communications and Multimedia (CMA) 1998

In line with the maturity of Malaysian communications and multimedia industry towards convergence of technology, licences under the CMA 1998 are drafted to be neutral in terms of technology and services. Licensing terms of the CMA 1998 allows the licence holder to undertake and manage activities related to marketing. This creates an opportunity to increase awareness and progress in the industry, particularly in the areas of Applications Service Provider and the use of more efficient network infrastructure.

There are 4 categories of activities to be considered, namely:

- i. Network Facilities Provider (NFP);
- ii. Network Service Provider (NSP);
- iii. Applications Service Provider (ASP); and
- iv. Content Applications Service Provider (CASP)

Under these four categories, 2 types of licences are issued, the Individual Licence and Class Licence. Individual Licence issued for activities that require higher regulatory standards, while the Class Licence only requires registration and can be renewed annually. List of licence holders are maintained by MCMC in its register.

In particular, there are 3 activity categories for the individual licence:

i. Network Facilities Provider Individual Licence (NFP-I)

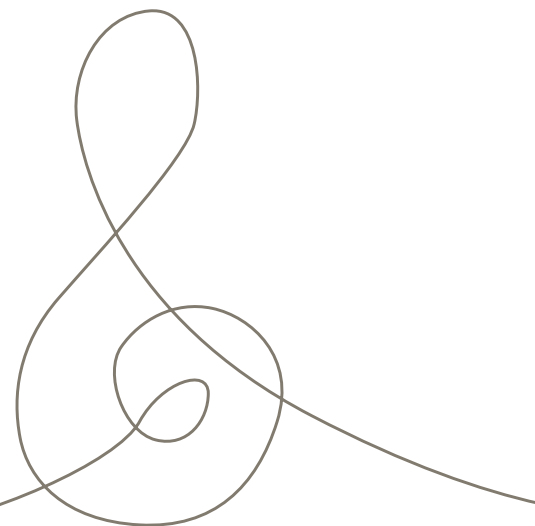
This licence is issued to those who own and/or provide certain network facilities such as radio communication transmitter and links, fixed links and cable, as well as towers that are used with the facilities of other networks.

ii. Network Service Provider Individual Licence (NSP-I)

Services covered under the category of Individual Licence include bandwidth services, broadcast distribution services, cellular mobile services, access application services and space services.

iii. Content Application Service Provider Individual Licence (CASP-I)

This licence is issued to those who provide content applications services such as satellite broadcasting, subscription broadcasting, terrestrial free-to-air television broadcasting and terrestrial radio broadcasting.





Licensing Activities

During 2012, MCMC has processed new applications for the following licences:

- i. 17 Network Facilities Provider Individual (NFP-I) Licences;
- ii. 13 Network Service Provider Individual (NSP-I) Licences; and
- iii. 4 Content Application Service Provider Individual (CASP-I) Licences.

The Minister of Information, Communications and Culture has approved, out of all applications, a total of 16 NFP-I licences, 10 NSP-I licences and 3 CASP-I licences, and the licences were registered by MCMC.

Among the infrastructure that falls under the category of NFP individual licence are earth station network facilities, fixed links and cable, transmitters and radio communication links.

For NSP individual licence, the service categories that are generally applicable to the applicant shall include broadband services, access application services, switching services and gateway services.

Applications for CASP-I is related to terrestrial radio broadcasting services, subscription broadcasting and non-subscription broadcasting.

Renewal Application for NFP and NSP Individual Licence

MCMC also processed a total of 2 applications for NFP individual license renewal and 4 NSP individual licence renewal applications. The Minister of MICC has approved, out of these applications, a total of 2 NFP-I and 4 NSP-I licences, and the licences have been registered by MCMC.

Class Licence Award Under the Communications and Multimedia Act 1998

A total of 22 applications were received for NFP class licence registration, 24 applications for NSP class license, 26 applications for CASP class licence and 941 applications for ASP class licence. Total registration for the various class licences applied for 2012 are as follows:

TYPE OF CLASS LICENCE	TOTAL NUMBER OF REGISTERED LICENSE HOLDER
NFP	22
NSP	24
CASP	26
ASP	941

Table 1 Class License applications registered under the CMA 1998 for the year 2012



Application to Modify, Vary or Revoke Conditions or Impose Additional Conditions for Individual Licence/Applications to Assign or transfer ownership of Individual Licence

In addition to new licence application, MCMC has also managed the processing of application related to modifying, varying or revoking the conditions or imposing further conditions of individual licence in 2012.

Applications to vary the special licence conditions were accepted for 1 NFP individual licence and 4 CASP individual licences. Out of these, the Minister of MICC has approved a total of 1 application to vary the special conditions for NFP-I licence and 4 applications to vary the special conditions for CASP-I licence. Application for variation of conditions for NFP-I special licence is related to licence holder's area of operations. With regard to the CASP individual licence category, the application for changing conditions of special licence is in respect to the location of the control centre and content requirements.

Throughout 2012, only 1 licence holder surrendered their licence, the Wi-Net Telecoms Sdn Bhd, where the company has surrendered NFP-I and NSP-I individual licences.

List of licence holders which had their licences revoked for failure to pay annual license fees are as follows:

LICENSE HOLDERS WHOSE LICENSE WERE REVOKED	TYPE OF LICENCE	EFFECTIVE DATE
Soak Broadcasting Sdn Bhd	CASP-I	3 January 2012
Sector Solutions Sdn Bhd	NFP-I & NSP-I	3 January 2012
Smart Digital Communications Bhd	NFP-I & NSP-I	10 January 2012
Greenline Communications Sdn Bhd	CASP-I	5 March 2012
Izzinet Sdn Bhd	NFP-I & NSP-I	5 March 2012
Hidaka Construction (M) Sdn Bhd	NFP-I & NSP-I	22 October 2012

Table 2 The licence holder whose license has been revoked in categories for 2012

Nominated Facilities Provider

Pursuant to section 130 CMA 1998, the Minister may, on the recommendation of MCMC, determine that a licensed network facilities provider, except the owner of any network facilities, is a provider of nominated facilities for the network facilities for the purposes of the CMA 1998, if the Minister is satisfied that the nomination would not prevent the achievement of goals of the CMA 1998 and the administration of CMA 1998.

In 2012, the company V Telecoms Bhd was appointed as the nominated facilities through Determination by the Minister for the agreements signed with Tenaga Nasional Berhad.



Spectrum Assignment

The Malaysian Communications and Multimedia Commission (MCMC) is the regulatory body responsible for issuing the assignment which allows the assignment holder to utilise radio frequencies. It covers all use of radio frequencies under the category of Spectrum Assignment (SA), Apparatus Assignment (AA) and Class Assignment (CA). This section provides a report on the tasks and activities carried out by the Department of Radio Spectrum Assignment (RSAD) under the Licensing and Assignment Division for the year 2012.



Type Of Assignment

Spectrum Assignment

Number of base stations for IMT2000 Spectrum Assignment installed during the year 2012 was 13,039. Table 1 illustrates the number of base stations installed by Celcom, UMTS, U Mobile and DiGi for 2012.



REGION/ OPERATOR	CELCOM	UMTS	U MOBILE	DIGI	TOTAL
North	710	937	275	333	2,255
Eastern	587	746	14	65	1,412
Central	1,613	1,748	1,204	844	5,409
Southern	728	994	217	329	2,268
Sabah	381	256	-	168	805
Sarawak	451	321	-	118	890
TOTAL	4,470	5,002	1,710	1,857	13,039

Table 3 Number of base stations installed by the Operator for the year 2012.



Total fee collection for Spectrum Assignment obtained from Celcom, UMTS, U Mobile and DiGi is RM128 million. Total collection obtained was for the Spectrum Assignment Fee and Spectrum Assignment Maintenance Fee. Table 4 illustrates the amount of fees collected for Spectrum Assignment for 2012.

SPECTRUM ASSIGNMENT HOLDER	SAA FEE	SA MAINTENANCE FEE	TOTAL (RM)
Celcom		45,906,000.00	45,906,000.00
UMTS		30,360,960.00	30,360,960.00
DiGi		27,619,200.00	27,619,200.00
U Mobile	7,400,000.00	17,088,800.00	24,488,800.00
TOTAL (RM)	7,400,000.00	120,974,960.00	128,374,960.00

Table 4 Total Spectrum Assignment fees collected for the year 2012

Apparatus Assignment

The number of new applications for apparatus assignment that have been processed and approved in 2012 was 25,790, while the application for Apparatus Assignment renewal stood at 89,758. Table 5 shows the number of new applications for Apparatus Assignment processed and approved according to service types in 2012.

SERVICE TYPES	TOTAL NEW APPLICATION	TOTAL RENEWAL APPLICATION	TOTAL
Ship Station	426	225	651
Flight Mobile Station	63	159	222
Land Mobile Station	1,306	2,120	3,426
Amateur Station	5,858	1,166	7,024
Broadcast Station	19	923	942
Flight Service Station	6	75	81
Cellular Radio Base Station	900	22,518	23,417
Fixed Land Station	2,185	10,782	12,967
Microwave Station	13,754	47,462	61,216
Earth Station	1,273	4,329	5,602
TOTAL	25,790	89,758	115,548

Table 5 Apparatus Assignment applications by type of service for the year 2012

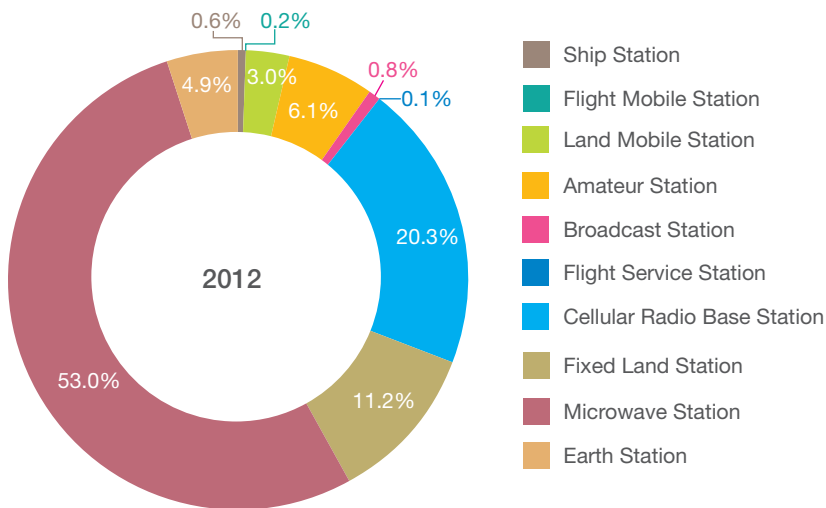


Figure 1 Percentage of Apparatus Assignment applications by type of service for the year 2012

Total collection of Apparatus Assignment fees during 2012 was RM234 million. Table 6 shows the amount of Apparatus Assignment fees collected for the year 2012.

MONTHS	TOTAL COLLECTION (RM)
January	54,045,766
February	5,516,657
March	4,303,957
April	2,140,047
May	2,177,397
June	2,283,288
July	1,686,939
August	1,250,121
September	2,459,199
October	4,586,226
November	12,019,511
December	142,251,172
TOTAL (RM)	234,720,280

Table 6 Total Apparatus Assignment fees collected for 2012

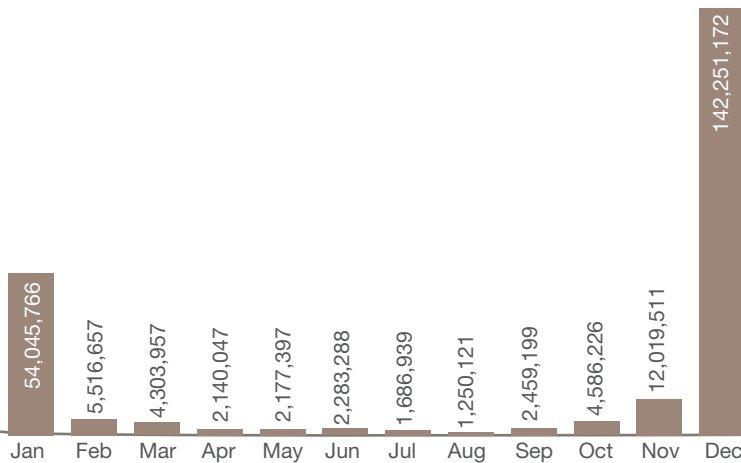


Figure 2 Total Apparatus Assignment fees collected for 2012

Apparatus Assignment Verification Audit

Apparatus Assignment Inspection and Compliance Verification Activities

Apparatus Assignment inspection and compliance verification activities were implemented by RSAD during 2012 to ensure that each communication equipment has Apparatus Assignment certificate and complies with the terms and conditions specified in the Apparatus Assignment certificate issued by MCMC.

Accordingly, RSAD has implemented a total of 10 Apparatus Assignment inspections and verification activities nationwide involving a total of 2,253 inspections of Apparatus Assignment. Information about these activities is shown in Table 7 as follows:

DATE	DATE OF ACTIVITY	LOCATION	TOTAL APPARATUS ASSIGNMENT INSPECTED
11 Jan 2012	Apparatus Assignment Audit at broadcasting stations (FM Radio) in Central Region	Selangor	26
17 - 20 Jan 2012	Audit Apparatus for broadcasting stations (FM Radio) in the Northern Region	Perak, Pulau Pinang, Kedah dan Perlis	55
31 Jan - 1 Feb 2012	Apparatus Assignment Audit at broadcasting stations (FM Radio) in Southern Region	Johor	52
31 Jan - 1 Feb 2012	Apparatus Assignment Audit at broadcasting stations (FM Radio) in Eastern Region	Pahang, Terengganu dan Kelantan	34
14 Jan - 17 Feb 2012	Apparatus Assignment Audit at broadcasting stations (FM Radio) in Sabah	Labuan, Kota Kinabalu, Keningau, Sipitang, Sandakan dan Tawau	46
14 Jan - 17 Feb 2012	Apparatus Assignment Audit at broadcasting stations (FM Radio) in Sarawak	Kuching, Sri Aman, Betong, Sibu dan Bintulu	62
17 - 20 Apr 2012	Apparatus Assignment Audit for Fixed, Mobile and VSAT services in Sabah Region	Labuan, Tuaran, Kota Belud, Kota Marudu dan Kudat	374
8 - 11 May 2012	Apparatus Assignment Audit for Fixed, Mobile and VSAT services in Northern Region	Perak	649
17 - 20 Jul 2012	Apparatus Assignment Audit for Fixed, Mobile and WiMAX services in Eastern Region	Kelantan	578
25 - 28 Sep 2012	Apparatus Assignment Audit for Fixed, Mobile and WiMAX services in Southern Region	Johor Bahru	377
OVERALL TOTAL OF APPARATUS ASSIGNMENT INSPECTED			2,253

Table 7 List of Apparatus Assignment inspection and compliance verification activities in 2012

Photographs related to the inspection and verification activities are as below:

An MCMC officer climbing the stairs to inspect a transmission station in Kota Bharu, Kelantan.



Apparatus Assignment inspection of a transmission station in Gunung Raya Langkawi, Kedah.



Apparatus Assignment inspection of a transmission station in Bukit Djin, Sarawak



Apparatus Assignment inspection of a transmission station in Tuaran, Sabah.

Trial Transmission Verification Activities

Trial transmission verification activities were conducted by MCMC officers for the purpose of inspecting and verifying approved trial transmission.

This is to fulfill one of the conditions for awarding trial Apparatus Assignment certificate, that MCMC officials should be present and certify the transmission. It is intended to ensure that the frequency and parameters used are in compliance with all conditions set forth in the certificate of apparatus assignment and the conditions of the approval granted by MCMC.

Broadcast Trial Transmission Verification

Details of inspection and verification activities are as follows:

DATE OF VARIIFICATION	LOCATION	SERVICE	BROADCASTERS	PROBATION PERIOD
25 Apr 2012	TM Transmitter Station Bukit Lanjan	DAB+	Department of Broadcasting Malaysia (RTM)	6 months
	TM Transmitter Station Bukit Besi			
	Kabin TM KLIA Sepang			
6 Jun 2012	TM Transmitter Station Bukit Penara, Pulau Pinang	FM Radio	Department of Broadcasting Malaysia (RTM)	6 months
	TM Transmitter Station Bukit Penara, Pulau Pinang	FM Radio	Copyright Laureate	6 months
	Bukit Genting Transmitter Station, Pulau Pinang	FM Radio	Department of Broadcasting Malaysia (RTM)	6 months
7 Aug 2012	Transmitter Station Gunung Kledang, Perak	Analog TV	Alhijrah Media Corporation	12 months
8 Aug 2012	Menara Alor Setar, Kedah	Analog TV	Alhijrah Media Corporation	12 months
1 Nov 2012	RTM Transmitter Station Telipot, Kelantan	Analog TV	Alhijrah Media Corporation	12 months
20 Nov 2012	Agricultural Expo Park Serdang	FM Radio	Malaysian Agricultural Research and Development Institute (MARDI)	10 days
22 Nov 2012	TM Transmitter Station Bukit Trig Sandakan, Sabah	FM Radio	Measat Radio Sdn Bhd	6 months
			Maestra Broadcast Sdn Bhd	6 months
			Perfect Excellence Waves Sdn Bhd	6 months

Table 8 List of trial inspection and verification for broadcasting in 2012

Photographs of trial transmission verification activities which was carried out can be seen below:



Inspection and verification for trial transmission of DAB+ at TM Cabin KLIA, Sepang



Verification for FM Radio trial transmission reception at Bukit Trig Sandakan, Sabah.



Inspection and verification of analogue TV trial transmission at TM Transmitter Station, Mount Kledang, Perak.

Broadband Service Trial Transmission Verification (Broadband Wireless Access)

LTE Technology Trial Transmission Verification Using the 1800MHz Frequency Band

MCMC has approved Apparatus Assignment application to a few licence holders such as Maxis Mobile Services Sdn Bhd, Celcom Axiata Bhd and DiGi Telecommunications Sdn Bhd to carry out tests of the Long-Term Evolution (LTE) systems. This test uses the 1800MHz frequency band at selected locations. The use of the 1800MHz frequency band is in partnership with Global System for Mobile Communications (GSM) service. This trial is intended to provide an opportunity for operators and MCMC in identifying potential and actual capabilities of LTE technology using the 1800MHz frequency band.

The approved trial period is between 3 months to 6 months. During 2012, a total of 3 verification of transmission was carried out by MCMC in the Klang Valley. Information about these activities is shown in Table 9 as follows:

DATE OF ACTIVITY	LOCATION
14 June 2012	Jalan APEC (NTTM), Cyberjaya, Selangor
29 August 2012	MCMC (Cyberjaya), Selangor
19 September 2012	Bangunan Getah Asli, Kuala Lumpur

Table 9 Location of 1800MHz LTE trial

Photographs of inspection and verification activities are below:

Inspection and verification of LTE trial conducted for Maxis Mobile Services Sdn Bhd in Jalan APEC (NTTM), Cyberjaya



Inspection and verification of LTE trial conducted for Celcom Axiata Berhad at Bangunan Getah Asli, Kuala Lumpur



Spectrum Management System Migration (SpMS)

SpMS is an important spectrum management system to MCMC. Apart from serving as an efficient spectrum management system, it also serves to generate income for MCMC through fees collected for Apparatus Assignment and Spectrum Assignment which are processed using the system.

Since it was first used, SpMS has undergone the process of upgrading 4 times, in 1995, 1999, 2004 and 2007.

Taking into account the increasing number of Apparatus Assignment applications each year as well as the limited capacity of the existing SpMS system, MCMC has agreed to carry out the SpMS system migration project. Bidding for the project was opened on 28 April 2011 and ended on May 26, 2011.

Given the SpMS system is a specific system of spectrum management and its use is only limited to spectrum regulatory body, the number of suppliers for such systems around the world are very few.

The process of evaluation and selection of bidders for the project has been completed by MCMC and now they are in the process of obtaining the consent and approval of the Ministry of Finance.

Meeting of Apparatus Assignment Approval Committee

Apparatus Assignment Approval Committee is a committee tasked to review and consider the approval of Apparatus Assignment application that meets policies and guidelines set by MCMC. It is an initiative undertaken by MCMC to fulfil its Client's Charter and expedite the approval process for Apparatus Assignment application. For this purpose, the Committee meets almost every week. During 2012, a total of 43 Apparatus Assignment Approval Committee Meetings were held.

Use of SpectraEMC Software Applications Course

SpectraEMC software is one of the engineering software used by MCMC in carrying out technical analysis on the Apparatus Assignment applications. It includes an analysis of the frequency propagation, coverage area, and the potential disruption to the frequency as applied.

RSAD in cooperation with MCMC Academy organised a course on the use of SpectraEMC software applications from 3 to 5 December 2012 at Prima 1 Computer Lab, MCMC, Cyberjaya. The course was attended by officers from the MCMC headquarters and its regional offices. This course aims to give exposure and in-depth technical training related to the functions and methods used by SpectraEMC software applications. The emphasis in this course are as follows:

- i. Frequency planning
- ii. Analysis of spectrum assignment
- iii. Analysis of frequency interference
- iv. Data management.

Regular Meeting with Officers from Regional Offices

RSAD organised its Regular Joint Meeting with Officers from Regional Offices on 5 and 6 July 2012 at MCMC, Cyberjaya. A total of 40 officers from the headquarters and regional offices also attended the meeting. Presentation and discussion held was related to the management and process for Apparatus Assignment applications as follows:

NO	SUBJECT
1.	Mobile Services <ul style="list-style-type: none"> i. Trunk Radio Services migration to the 800MHz frequency band ii. Frequency assignment for Private Network Services iii. Apparatus Assignment for Amateur radio station iv. Apparatus Assignment for ship station and flight station v. Apparatus Assignment for CCTV
2.	Fixed Services <ul style="list-style-type: none"> i. Procedure to apply for apparatus assignment for microwave transmitter ii. Current policies and new requirements for Fixed Services
3.	Satellite Services <ul style="list-style-type: none"> i. Application for Television Receive Only (TVRO) systems ii. Requirement apparatus assignment approval of VSAT for USP project
4.	Other matters: <ul style="list-style-type: none"> i. e-Payment payment procedures ii. Apparatus Assignment Renewal for 2012 iii. Spectrum management between borders iv. Notification of procedure for payment of Apparatus Assignment application v. Upgrading process of information technology equipment vi. Apparatus Assignment audit procedure

Table 10 List of presentation at Regular Joint Meeting with Officers from Regional Offices

Bilateral Coordination Meeting between MCMC and the Royal Malaysian Police (PDRM)

Bilateral Coordination Meeting between MCMC and PDRM was held on 20 December 2012 at Ri-Yaz Heritage Marina Resort and Spa, Kuala Terengganu, Terengganu. The meeting was attended by officers from the Division of Licensing and Assignment, Spectrum and Numbering Planning Division, Department of Spectrum Engineering and Resolution Disorder, and MCMC Eastern Regional Office, while PDRM was represented by 12 officers from PDRM Communications Unit, Air Unit, and the Special Branch. This meeting was held to discuss the needs and frequencies usage coordination by PDRM.



Seminar on Apparatus Assignment Awareness

RSAD has organised 4 Seminars on Apparatus Assignment Awareness throughout 2012. Awareness Seminar was organised to provide exposure to users of trunk radio, private network as well as amateur radio. Table 11 shows the list of apparatus assignment awareness seminars held during the year 2012.

DATE	SEMINAR
26 April 2012	Seminar on the Use of Communication Tools at Pasir Gudang, Johor Bahru
11 July 2012	Seminar on Communication Equipment under the Communications and Multimedia Act 1998 at Sunway Hotel, Seberang Jaya, Penang
25 September 2012	Seminar on the Use of Communication Tools at Crystal Crown Hotel, Johor Bahru
13 December 2012	Guidelines for the Use of Communication Tool at the Sunway Convention Centre, Seberang Prai, Penang

Table 11 List of Apparatus Assignment awareness seminars held during the year 2012

Management of Numbering and Electronic Addressing

As stated in Section 179 of the Communications and Multimedia Act 1998 (CMA 1998), MCMC is responsible for the control, planning, administration, management and assignment of the numbering and electronic addressing of network services and applications services.

In line with the above roles, this report provides the information of number assignments to network service providers, as well as the initiatives to promote IPv6 implementation and the status of Mobile Numbers Portability (MNP) services for year 2012.

Numbering Assignments

In 2012, MCMC has assigned various types of numbers to network service providers such as mobile numbers for public cellular, broadband and Telephony Service over Internet Protocol (TSolP), Special Service Numbers for personal numbering services, short codes, Public Switch Telephone Network (PSTN), and International Mobile Subscriber Identity (IMSI) numbers.



Mobile Numbers for Public Cellular Services

In general, MCMC has issued 81.75 million mobile numbers for public cellular services (010, 011, 012, 013, 014, 016, 017, 018 and 019 prefixes) to 13 network service providers including Mobile Virtual Network Operators (MVNO) as of 31 December 2012.

However since 2011, only 011 prefix (a new 3+8 number format) is opened for assignments as it has a capacity of 100 million numbers. As of 31 December 2012, a total of 22.5 million numbers under 011 prefix were assigned to network service providers since this new number format was implemented in late December 2010.

In 2012, a total of 10.5 million numbers were assigned to various service providers such as Maxis, DiGi, U Mobile, Celcom and Samata Communications. The summary of the assignments is shown in Table 12 below.

SERVICE PROVIDERS	PREFIX	SUBSCRIBER NUMBERS	TOTAL NUMBERS
Maxis Mobile Services Sdn Bhd	011	2300 0000 – 2449 9999 2500 0000 – 2599 0000 2750 0000 – 2799 0000	3,000,000
DiGi Telecommunication Sdn Bhd	011	3100 0000 – 3199 9999 3300 0000 – 3399 9999 3600 0000 – 3699 9999	3,000,000
U-Mobile Sdn. Bhd.	011	2100 0000 – 2199 9999 2700 0000 – 2749 0000 2800 0000 – 2899 9999	2,500,000
Celcom Axiata Berhad	011	2900 0000 – 2999 9999	1,000,000
Samata Communications Sdn Bhd	011	2200 0000 – 2299 9999	1,000,000
Total Mobile Numbers Assignment			10,500,000

Table 12 Mobile Numbers Assignment for Public Cellular Services in 2012

Mobile Numbers for Broadband and TSoIP Services

Mobile numbers under 0159 prefix are allocated for broadband services and 0154 prefix for TSoIP services.

In 2012, 500,000 numbers were assigned to Celcom for broadband services and 10,000 numbers to Ofisgate (M) Sdn Bhd for TSoIP services. The summary of the assignments is shown in Table 13 below.

SERVICE PROVIDERS	PREFIX	SUBSCRIBER NUMBERS	TOTAL NUMBERS	SERVICE
Celcom Axiata Berhad	0159	250 0000 – 299 9999	500,000	Broadband
Ofisgate (M) Sdn Bhd	0154	805 0000 – 805 9999	10,000	TSoIP

Table 13 Assignments of 0159 and 0154 prefixes in 2012

Other Numbering Assignments

Table 14 below shows the other numbers assigned in 2012 for Personal Numbering, Independent Short Codes, International Mobile Subscriber Identity (IMSI) and PSTN number.

SERVICES	NUMBER OF ASSIGNMENT	SERVICE PROVIDER	TOTAL
Personal Numbering	1	Packet One Network (M) Sdn Bhd	1
Independent Short Code (ISC)	3	Tune Talk Sdn Bhd	6
	1	Packet One Network (M) Sdn Bhd	
	1	U-Mobile Sdn. Bhd.	
	1	Celcom Axiata Sdn Bhd	
International Mobile Subscriber Identity (IMSI)	1	Samata Communications Sdn Bhd	1
PSTN	105	Telekom Malaysia Berhad	250
	101	Packet One Networks Sdn. Bhd.	
	18	Jaring Telecommunications Sdn Bhd	
		Maxis Broadband Sdn Bhd	

Table 14 Other Numbering Assignments

Initiatives to Promote IPv6 Implementation

Malaysia has already realised the importance of IPv6 implementation. The Government is cognisant of the need to prepare the country for IPv6 migration. In the effort to push for readiness of IPv6 in the country, the Government has played a pivotal role by establishing an IPv6 implementation committee known as Jawatankuasa Pemantauan Pelaksanaan IPv6 Nasional.

The committee, chaired by MICC, focused on the planning of migration to IPv6 for the government agencies and industry. MCMC was given the role to drive and monitor the private sector, whereas Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) will lead the government agencies.



In order to promote IPv6 implementation, MCMC has embarked on the following initiatives:

i. IPv6 Training for Human Capital Development

MCMC has provided certified IPv6 training to 80 professional IT engineers from government agencies and industries. The training was conducted in February and March 2012.

ii. IPv6 Deployment Kit

MCMC has distributed 2,000 posters and 500 mini booklets to government agencies and industries in January 2012. IPv6 Deployment Kit contains step-by-step information on the IPv6 migration process.

iii. IPv6 Tunnel Broker

IPv6 Tunnel Broker was designed to facilitate users in getting IPv6 connectivity through tunneling mechanism. This free service was made available by MCMC in December 2012 for users to experience IPv6 network and IPv6 contents seamlessly.

iv. IPv6 Workshop

MCMC, with assistance from Bank Negara Malaysia (BNM), has conducted IPv6 Workshop for Financial and Banking sector in November 2012. The workshop aims to introduce high level planning considerations which the financial and banking sectors need to be aware of prior to deploying IPv6. The workshop was attended by 24 participants, inclusive of representatives from 7 major banks in Malaysia, BNM, as well as participants from Internet Service Providers (ISP).

v. IPv6 Industry Talk

MCMC has conducted 4 industry talks throughout 2012 as part of the IPv6 awareness and promotion activities for various target groups, as shown in the following:

SIRIES	DATE	THEME
1st Series	7 March 2012	IPv6 Readiness and Security
2nd Series	6 June 2012	Talk conducted in conjunction with World IPv6 Day 2012
3rd Series	8 August 2012	Global IPv6 Transition
4th Series	20 December 2012	IPv6 Impact on Content and Web Application Provider

Table 15 IPv6 Industry Talk

vi. IPv6 Centre of Excellence (CoE)

MCMC has established IPv6 CoE in December 2012 and appointed Malaysian Technical Standard Forum Berhad (MTSFB) to lead the Centre of Excellence (CoE) for IPv6. The objective for IPv6 CoE is to facilitate IPv6 implementation in Malaysia using dual stack by end of 2013 and native by end of 2015. The deliberation of the CoE activities for 2013 will cover the following elements:

- Awareness and promotional programme;
- Human capital development; and
- Consultation on IPv6 networks implementation.



IPv6 Compliance Audit - Phase 3

MCMC has conducted the Phase 3 Audit from 22 September to 5 October 2011. In Phase 3 Audit, the ISPs need to demonstrate readiness to provide IPv6 connectivity to customers from any segment of its services. Phase 3 Audit offered the flexibility for ISPs to define the segment of service, type of customer or end user, and the method of providing IPv6 connectivity to the customers via any of the following:

- i. Dual-stack
- ii. Native IPv6 Assignment
- iii. Tunneling

As of May 2012, MCMC has received 15 final audit reports from the ISPs as shown in Table 16.

The ISPs conducted this IPv6 Compliance Audit in accordance with auditing standards developed by MTSFB and endorsed by MCMC. Those standards required ISPs to perform the audit to obtain sufficient and appropriate evidence or result to verify our findings and conclusions based on IPv6 Compliance Audit objectives.

The IPv6 Compliance Audit Phase 3 was conducted to ensure ISPs' readiness in providing IPv6 services to end user. The Phase 3 audit is a combination between Phase 1 and Phase 2 methodology or test procedure, with additional test to the end user connectivity or services. The IPv6 Compliance Audit Phase 3 was divided into 2 sessions:

- i. Presentation and briefing (15 - 16 May 2012); and
- ii. Site verification (October 2012 - December 2012).

From the 15 ISPs involved in Phase 3 Audit, only 12 ISPs were audited. All 12 ISPs have fulfilled the criteria in Phase 3 Audit as recommended by the IPv6 WG and Audit committee. Regardless of that, 3 ISPs' IPv6 Compliance Audit Phase 3 are still pending.

With the completion of this Phase 3 Audit, the Committee has decided the 12 ISPs in the list below have passed the audit and are capable of supporting IPv6 services to end users.

NO.	SERVICE PROVIDER	IPv6 SERVICES READINESS (PHASE 3)
1	Telekom Malaysia Berhad	√
2	Maxis Broadband Sdn Bhd	√
3	Celcom Axiata Berhad	√
4	Jaring Communications Sdn Bhd	√
5	GiTN Sdn Bhd	√
6	MacroLynx Sdn Bhd	√
7	Optical Communication Engineering (OCE)	√
8	VADS Berhad	√
9	YTL Communications Sdn Bhd	√
10	DiGi Telecommunication Sdn Bhd	√
11	Packet One Network (M) Sdn Bhd	√
12	NTT MSC Sdn Bhd	√

Table 16 IPv6 services readiness for IPv6 Compliance Audit Phase 3

Mobile Number Portability (MNP)

Mobile Number Portability (MNP) has been implemented in Malaysia since 2008 with the aim to foster industry competition for the benefit of public cellular users by broadening the users' available choices, improving network quality and reducing multiple-SIM phenomenon.

Table 17 summarises the ported mobile number transactions from 2008 to 2012.

YEAR	TOTAL MOBILE SUBSCRIBER	TOTAL PORTED MOBILE NUMBER YEARLY	PERCENTAGE OF PORTED MOBILE NUMBER YEARLY
2008	27,700,000	211,692	0.8%
2009	30,400,000	1,074,990	3.5%
2010	33,800,000	696,807	2.1%
2011	35,700,000	704,938	2.0%
2012	35,700,000	880,272	2.4%

Table 17 Total Ported Mobile Number Transactions each Year

Since its launch in October 2008, a cumulative total of 3,568,699 subscribers have switched their operators as of 31 December 2012. This is shown in Figure 3 below.

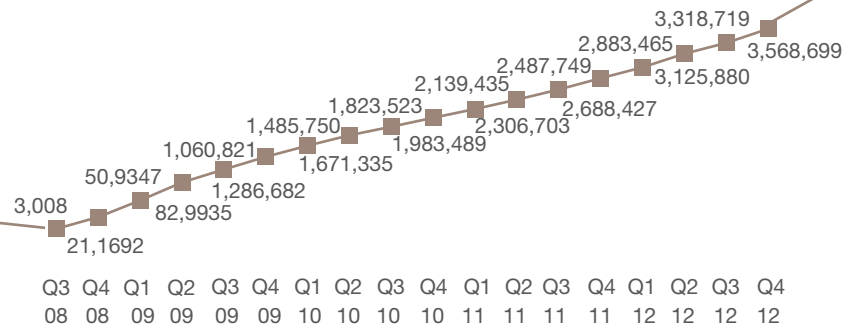


Figure 3 Quarterly Cumulative Porting

Since the establishment of MNP in 2008, the first step towards promoting porting was to deal with mobile operators' cost promotion, to educate the public, and to bulk up the nationwide marketing activities of mobile operators. These porting processes have now become well established and are working effectively to attract the customers to port to other networks. Figure 4 shows porting volumes of approximately 250,000 in Q4 2012.

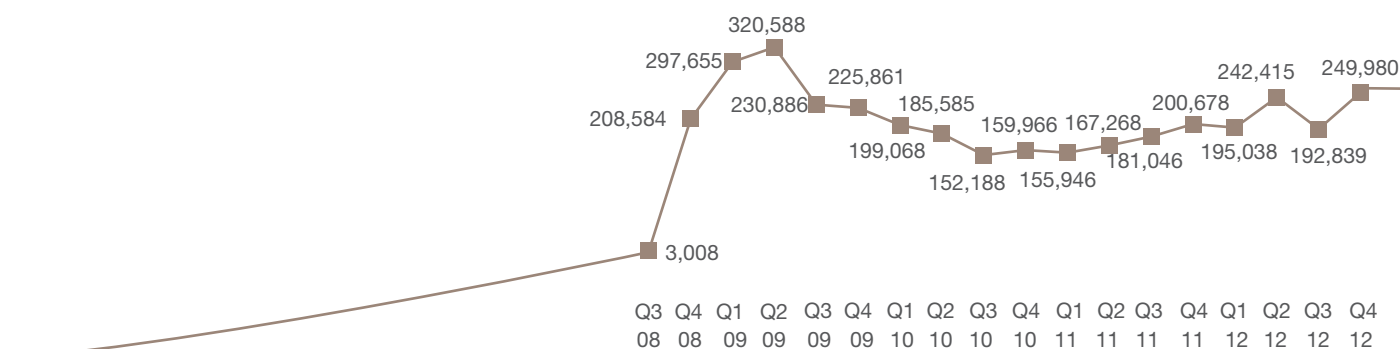


Figure 4 Quarterly Non-Cumulative Porting Figures

Porting Timeframe Duration

Consumer Porting Timeframe

- For consumer porting of individual accounts in 2012, 98.22% of the ports were completed within 2 business days. Figure 5 shows the yearly porting timeframe and the percentage of porting completed within 2 business days.

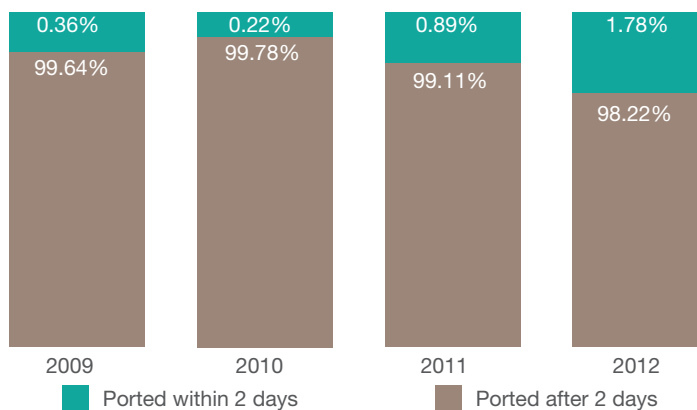


Figure 5 Yearly Consumer Porting Timeframe

Non-Consumer Porting Timeframe

- For non-consumer porting of corporate accounts in 2012, 99.25% of the ports were completed within 5 business days. Figure 6 shows the yearly porting timeframe and the percentage of porting completed within 5 business days.

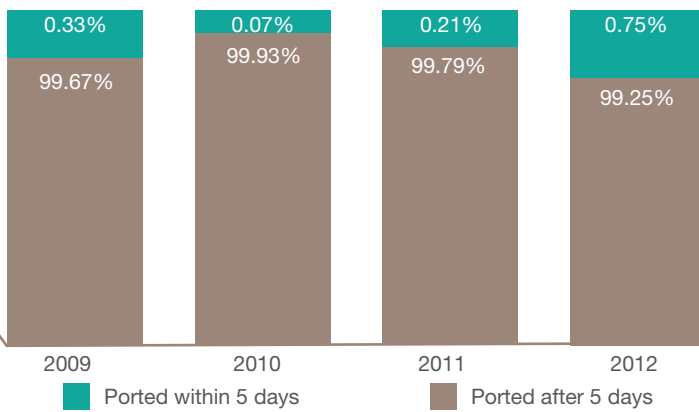


Figure 6 Yearly Non-Consumer Porting Timeframe

Consumer and Non-Consumer Porting

Table 18 shows consumer and non-consumer porting figures from 2008 until 2012.

YEAR	YEARLY CONSUMER PORTING	YEARLY NON-CONSUMER PORTING
2008	209,202	2,490
2009	1,051,613	23,377
2010	666,265	30,542
2011	665,696	39,242
2012	836,909	43,363
Total	3,429,685	139,014

Table 18 Total Consumer and Non-Consumer Porting

The yearly breakdown of the percentages between the consumer and non-consumer porting volume is showed in Figure 7.

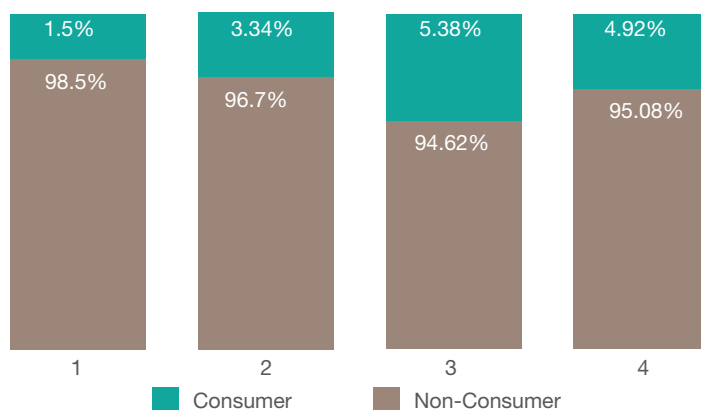


Figure 7 Yearly Total Consumer and Non-Consumer Porting

Port Rejection

The recipient network operator (RNO) is held responsible for initiating the porting process, upon receiving a porting application from a customer. However, whether an application gets approved or not depends on the donor network operator (DNO) that the applicant intends to leave.

In that aspect, the DNO can reject an application based on valid and permissible reasons as provided in the Industry MNP Business Rules. Generally, it may be due to incorrect or incomplete information, or information not matching those in the DNO records, and non-fulfilment of contractual obligation, for example a customer has an existing contract or overdue payment. Figure 8 below shows the percentage of Port Rejection from 2008 until 2012.

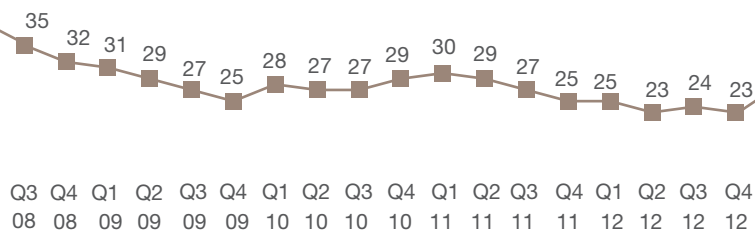


Figure 8 Quarterly Port Rejection

Digital Signature and Postal Affairs

Postal and Courier Services

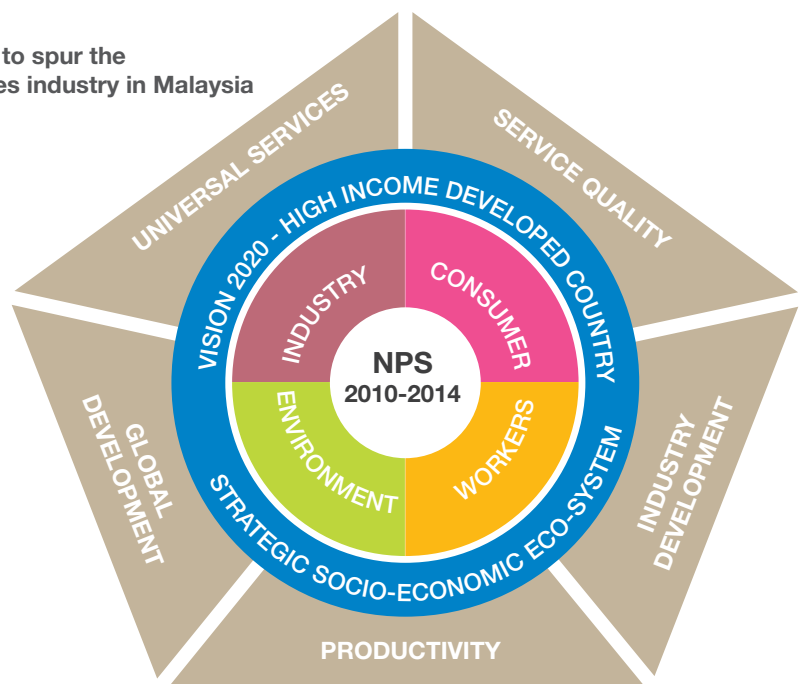
National Postal Strategy 2012 Performance (2010-2014)

National Postal Strategy (NPS) has entered its third year of implementation, whereby a number of initiatives and focus targets were achieved in 2012 for the 5 NPS core thrusts: universal service, service quality, increase in productivity, industry growth and international development, as the shown in Figure 1 and Table 1.


The National Postal Strategy was designed to spur the transformation of postal and courier services industry in Malaysia

Major Initiatives

- Regulatory regime and legal reform
- Rural development
- Services standards
- Automation
- Tariff reform
- Liberalisation of courier services sub-sector
- Courier industry development
- Leadership in the Universal Postal Union
- Development of philately
- Capacity development




Physical Dimension




(Mail, Small packets, Packages)

Electronic Dimension



(Digital Mail Service, Track and Trace)

Financial Dimension



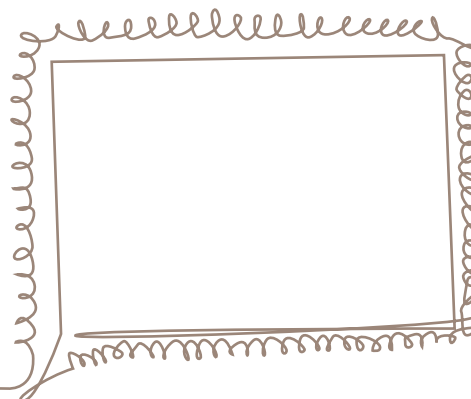
(Agency services, unit trusts, money orders, insurance and etc)

Figure 1 NPS 2010-2014



CORE THRUSTS	MAJOR ACHIEVEMENTS IN YEAR 2012
Core 1: Modern Universal Postal Service Provision	<ul style="list-style-type: none"> Postal Services Act 2012 has been passed by the Parliament to establish a modern regulatory regime to drive the nation's postal and courier industry's growth. Pos Malaysia Berhad has implemented the Postal Transformation Plan in Sabah and Sarawak (PTPSS) 2010 - 2012 with RM10 million funding from MCMC. A total of 220,000 new mail delivery points were created with the appointment of 450 community postmen. 10 units of mobile post offices were established as one-stop service centers in rural areas. International mail and parcel services tariffs were reviewed.
Core 2: Service Quality	<ul style="list-style-type: none"> Domestic mail service quality performance for year 2011 was 87.87% and it has increased by 8.87% from 79% in 2010. The average service quality performance of 10 major players in the courier industry in 2012 has increased by 74.3% from 69.95% in 2011 and 68.73% in 2010.
Core 3: Productivity Increase	<ul style="list-style-type: none"> Level of mail automation for 2011 has risen to 66% from 60% in 2010 with the establishment of the Shah Alam National Mail Centre. National Occupational Skills Standards (NOSS) for courier service was established.
Core 4: Spur Industry Growth	<ul style="list-style-type: none"> Courier Industry Development Plan 2012-2014 was prepared. Implementation of the new courier licensing scheme. The government announced liberalisation of the courier services sub-sector autonomy. National Letter Writing Competition 2012 received more than 90,000 entries. Pos Malaysia Berhad received operating licence from Bank Negara Malaysia. The Stamp Exhibition Plan 2012-2014 was organised to put Malaysia on the philately world map.
Core 5: Global Development	<ul style="list-style-type: none"> Malaysia was successfully elected as member of the Postal Operations Council of the Universal Postal Union during the Doha Congress.

Table 1 Implementation of the NPS 2010-2014



Phase 2 Postal Transformation Plan in Sabah and Sarawak

Postal Transformation Plan in Sabah and Sarawak (PTPSS) from 2010-2012 was officiated by Dato' Seri Utama Dr. Rais Yatim, Minister of MICC on 13 May 2010. PTPSS is a collaborative initiative of private and Government for a period of 2 years between MCMC and Pos Malaysia to improve the coverage of mail delivery to homes in rural areas and improve access to basic postal services to rural communities in Sabah and Sarawak.

PTPSS is jointly funded by MCMC and Pos Malaysia where MCMC has allocated the implementation cost while Pos Malaysia sponsors the operating costs. PTPSS's objective is to eliminate the postal gap gradually in Sabah and Sarawak's rural area based on NPS target to achieve a 95% mail delivery service to homes and reduce the ratio of post access up to 15,000 people per outlet post by 2014.

Under this program, Pos Malaysia appoints Community Postmen and Community Post Representatives to improve performance of last mile delivery and coverage in rural areas that do not have complete addresses. Pos Malaysia has also established 10 Mobile Post Office (Post-on-Wheels). It is estimated that nearly 1 million people in rural areas of Sabah and Sarawak has benefited from this project. The Government has agreed to continue funding this project for a period of 2 more years (2013-2014) and add 6 units of Mobile Post Office.

Summary of PTPSS 2010-2012 is as in Table 2.

	SABAH	SARAWAK
Community Postmen (RM500 monthly allowance)	225	225
Community Postal Agents (RM100 monthly allowance)	300	300
Mobile Post Offices	5 units (3 additional units under Phase 2)	5 units (3 additional units under Phase 2)

Table 2 PTPSS has managed to improve the quality of life of people in the rural areas of Sabah and Sarawak





Postal Services Act 2012

The Postal Services Act 2012 (Act 741) was passed by the Parliament in December 2011 and enforced effective 1 April 2013 to replace the Postal Services Act 1991 (Act 465). This is based on gazette number P.U. (B) 94/2013. This Postal Services Act 2012 contains new provisions whereby it is intended to regulate the postal services industry in an environment with a lot of players, encouraging orderly development of the industry and protect the universal postal service.

This Act also provides for the regulation of ancillary matters to ensure postal services can be obtained with reasonable rates and quality as well as ensure the continuous development of the postal sector in an increasingly competitive environment.

Parallel to these developments, MCMC has already prepared a draft of the regulations under the new Act such as the licensing and regulation of universal service.

The Universal Service Regulations framework was aligned to ensure quality and sustainable universal service is provided by the universal service operator. These regulations also support the development of a postal system in each state and promote the development of competitive and healthy postal services while the Licensing Regulations outline provisions of the new licensing regime, including details on the universal and non universal service licenses.

Consultation sessions with industry representatives have also been held to take into account their official responses in drafting these regulations. A special retreat session with senior officials of Pos Malaysia Berhad and Communications Division MICC was held to discuss outstanding issues and improve the draft of these regulations. The draft regulations were expanded and forwarded to the Ministry and is still in the process of being refined by the Legal Counsel since April 2013.



In addition, there are several other rules under the Postal Services Act 2012, which will be developed include 4 categories of regulation, that is the regulation of economic, technical, social and consumer protection. Functions of MCMC has been enhanced to ensure universal service can be provided on an ongoing basis, improving the management of the Postal Service Fund, and improve the postcode and address system in Malaysia.

POSTAL SERVICES ACT 2012



NATIONAL POLICY OBJECTIVES

- Protect universal postal services
- Encourage industry growth
- Make Malaysia a regional hub
- Regulate for the long-term benefits
- Promote a high level of consumer confidence
- Ensure safety of employees, network and postal items
- Responsive towards the changing environment
- Ensure fair competition

Figure 2 Postal Services Act 2012 Framework

Annual Stamp Production 2012

In 2012, some interesting themes such as the Diamond Jubilee of Queen Elizabeth II and Melaka 750 Years stamps received great response and high sales.

Special commemorative postage stamp series issued in conjunction with the Diamond Jubilee of the Reign of Queen Elizabeth II and the Royal Visit of the Duke and Duchess of Cambridge to Malaysia were released in 2 designs, displaying the portrait of Queen Elizabeth II during Her Majesty's inauguration issued by Pos Malaysia in 1953, and the picture Prince William and Kate Middleton. Queen Elizabeth II is the longest reigning queen of the British Monarchy for a period of 60 years.



Figure 3 Diamond Jubilee of Queen Elizabeth II and Melaka 750 Years stamps

The Melaka 750 years themed commemorative stamp of the founding of the Malay Empire of Melaka was issued to raise awareness among Malaysians on the privileged history of Melaka as a great power and empire and the centre of the spread of Islam in the region as well as becoming one of the most important trade centres in the world comparable to Genoa and Amsterdam.

The year 2012 recorded stamp sales of over 13 million pieces, suggesting that stamp collection is still favoured by the people. Table 3 is a list of stamps issued in 2012.

THEME	DATE OF ISSUANCE
Weaving heritage	12.01.12
Yes To Life, No to Drugs	27.02.12
Malaysian Antarctic Research Programme	08.03.12
Seabed Wildlife and Plants	21.03.12
Coronation of the 14th DYMM His Majesty the King	11.04.12
Aromatic Plants	24.05.12
World Gas Conference 2012	04.06.12
Traditional Sources of Income	21.06.12
2nd Series of Malaysian Currency	16.07.12
Unity Series II (Malaysia Day)	30.08.12
Diamond Jubilee of Queen Elizabeth II	13.09.12
Festivals in Malaysia Series 2	27.09.12
Melaka 750 Years	07.10.12
Uniform of Postmen	22.10.12

Table 3 Themes released in 2012



Courier Services

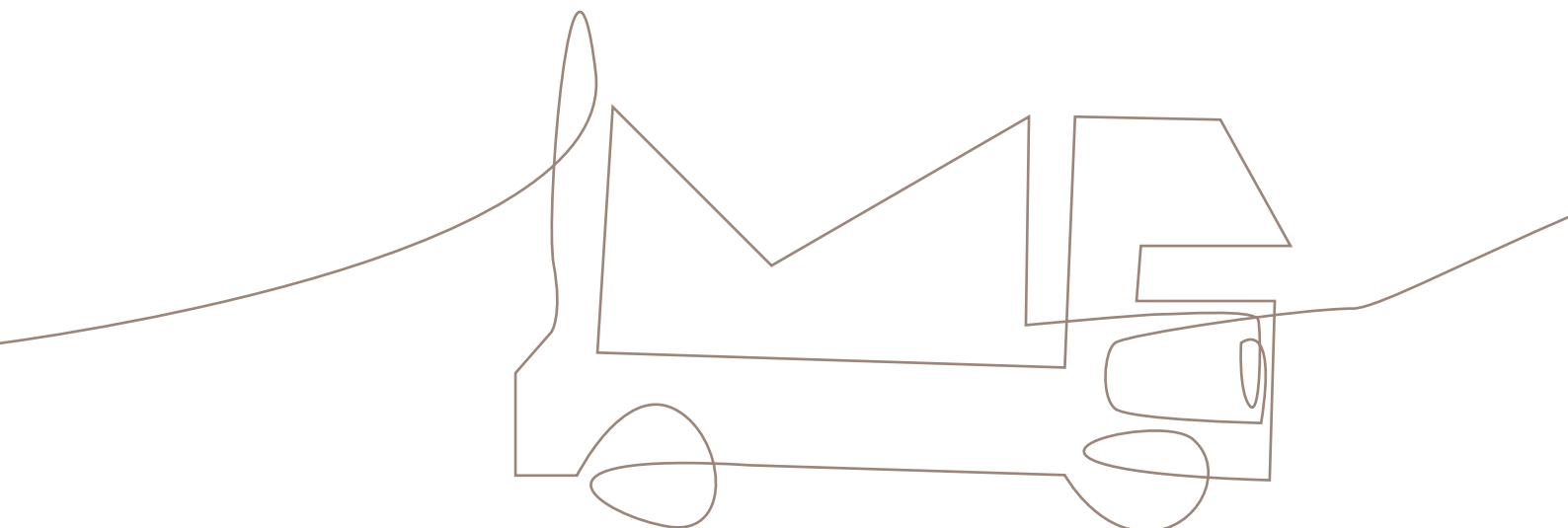
In 2012, the courier services industry has undergone a major transformation. The Government has liberalised autonomy in the courier services industry starting 1 January 2012. This is a great initiative to attract more players and investments in Malaysia. Foreign equity ownership is also adjusted to 100%.

The Courier Industry Development Plan 2012-2014 has also been set up to improve the quality of service and Malaysia aims to become a major hub for this region. Figure 4 below displays the strategies and performance targets for the courier industry.

Driving High Performance in the Courier Industry

Strategic Goals	To create a modern courier industry that is able to help the country become more competitive to compete globally			
GOALS	ECONOMY	QUALITY	ACCESS	TECHNOLOGY
KPI (year end 2014)	2% > GDP (3 year average)	> 80% (quality tests of 10 major courier companies)	93% populated delivery area coverage	8 Automation Hubs
Strategy 1	Strategy 2		Strategy 3	
To create a conducive regulatory and system operating environment	To enhance human capital and institutional development		To drive adoption of modern technology and best practices	
<ul style="list-style-type: none"> • Providing new courier schemes and licensing • Setting the courier sector's minimum price • Provide industry code of practice • Implementation of autonomous liberalisation policy • Drive SME exports 	<ul style="list-style-type: none"> • Preparing courier management courses with institutions of higher education • Developing the courier sector National Skills Standards • Collaboration with the industry to develop industry 		<ul style="list-style-type: none"> • Creating incentives through MCMC's licensing rebates • Raise specific tax incentive proposal for the courier sector to MITI/MIDA • Make it mandatory for courier company class A and B to provide track and trace system and provide customer service 	

Figure 4 The courier industry 3-Year Plan (2012-2014) summary



MCMC has also implemented a new courier licensing scheme effective 1 October 2012. Three licence classes A, B and C were created compared to the previous scheme as shown in Figure 5 below.

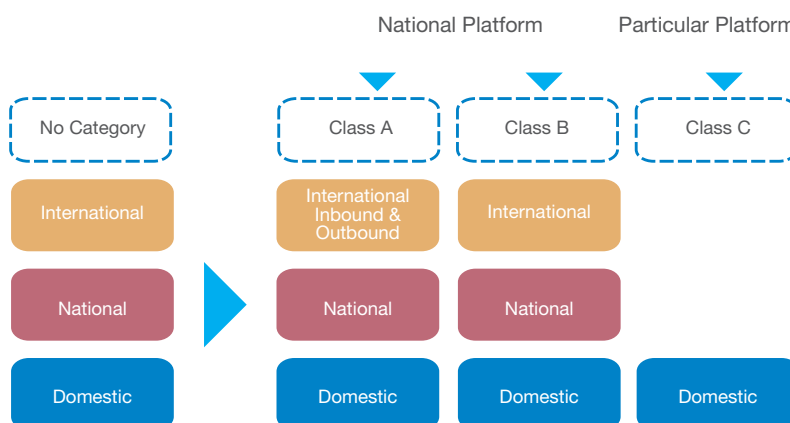


Figure 5 Fostering a higher courier sector standard through new licensing scheme

MCMC has for the first time allocated funds amounting to RM400,000 to the Malaysian Express Carriers Association (AMEC) to encourage self-regulation in the future. This contribution will accelerate the ability of the association teams in playing a greater role in shaping and determining the industry direction.

For the first time, estimation of the courier industry in 2011, which was RM2.03 billion, has surpassed the RM2 billion revenue level, totaling RM2.20 billion in 2012 and showing an increase of 7%. Total licensed courier companies at the end of 2012 were 105 companies.

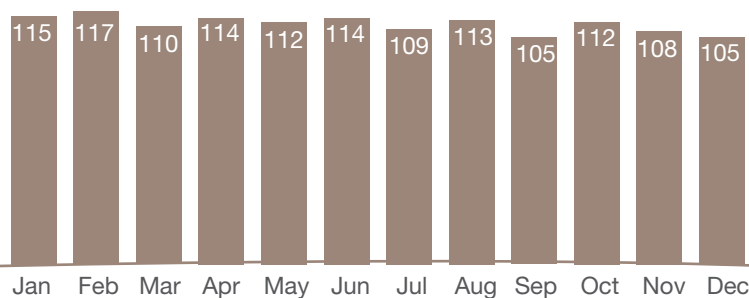


Figure 6 Number of Licensed Courier Companies (2001-2012)

A total of 6 new applications were approved in 2012 for the following companies:

- (a) Safeguards G4S Sdn Bhd;
- (b) Centurion Freight Express Sdn Bhd;
- (c) MLH Services Sdn Bhd;
- (d) Wan & Zul Marines Supply & Services Sdn Bhd;
- (e) Citra Multimodal Services Sdn Bhd; and
- (f) LMA Service Sdn Bhd.

Malaysia Letter Writing Competition

This letter writing contest programme is part of the key performance indicators contained in the documents of the NPS. This program is a joint effort by MCMC with Pos Malaysia as the main implementing agency with MICC and the Ministry of Education. This programme has been going on since year 2010.

The Values and Information Technology themed 1Malaysia Letter Writing Competition 2012 that ran from 1 April 2012 to 15 July 2012 has acquired more than 90,000 entries from 10,000 schools, an increase of 100% compared to year 2011. The competition was divided into 3 categories, namely Category A – Primary School, Category B – Lower Secondary, and Category C - Upper Secondary. This contest prizes are worth a total of RM30,000, including consolation prizes and certificates of excellence as well as certificates of participation.

There was positive response from the younger generation who accepted this competition as a means of expressing their ideas and creativity. The competition was able to achieve the objective of promoting interest and broad thinking among students towards national aspirations of building the minds of young Malaysians to become knowledgeable and high moral individuals.

Digital Signature

MCMC is the regulator of Licensing Authorities under the Digital Signature Act 1997. 2 Licensing Authorities have been authorised so far, they are Digicert Sdn Bhd (starting in 1999) and MSC Trustgate Sdn Bhd (starting in year 2000) as shown in Figure 7 below.

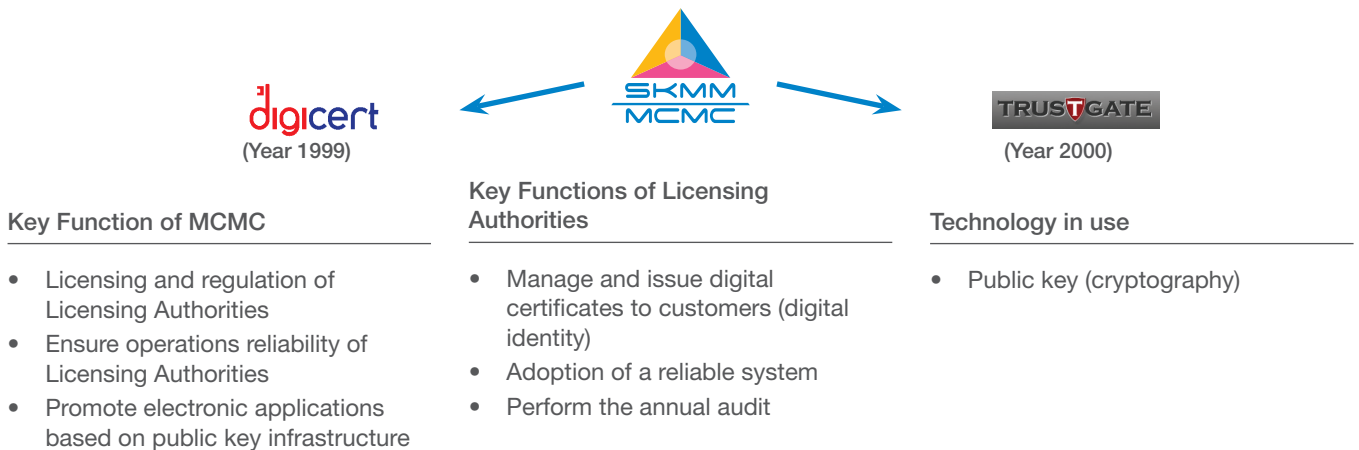


Figure 7 Regulation of digital signatures

The rapid growth of the digital economy in Malaysia is reflected in the expansion of broadband lines across the country. Dramatic and sustained growth of electronic trading facility or e-commerce, e-payment, e-banking and other online services is also a catalyst for the digital economy initiatives. This growth has been facilitated by widespread access to computers and the Internet at work, home and school. This rapid development has succeeded in increasing the productivity of the country and enhanced the daily activities of the Malaysian population.

However, it should be noted that there is a weakness when online services are widely used or used without control. Issues such as identity theft and online fraud are widely reported in the media nowadays. Most of the features of online safety in use today, such as usernames and passwords, can not provide adequate security for online consumer services.

To enhance security and consumer confidence in cyberspace or online, Public Key Infrastructure (PKI) that is monitored by MCMC can help retail consumers and organisations prevent identity theft and other online fraud incidents. PKI is subject to the Digital Signature Act (ATD) Act 1997 that was formulated to put the country on a strong foundation in the field of ICT as well as improve consumer and business confidence when dealing the virtual realm or online.

The use of digital signatures under ATD 1997 is subject to the procedure prescribed by the law and has the effect of non-repudiation. Therefore, it is a digital signature with a higher level of trust than the use of other electronic signatures, such as the use of a PIN number or username and password.

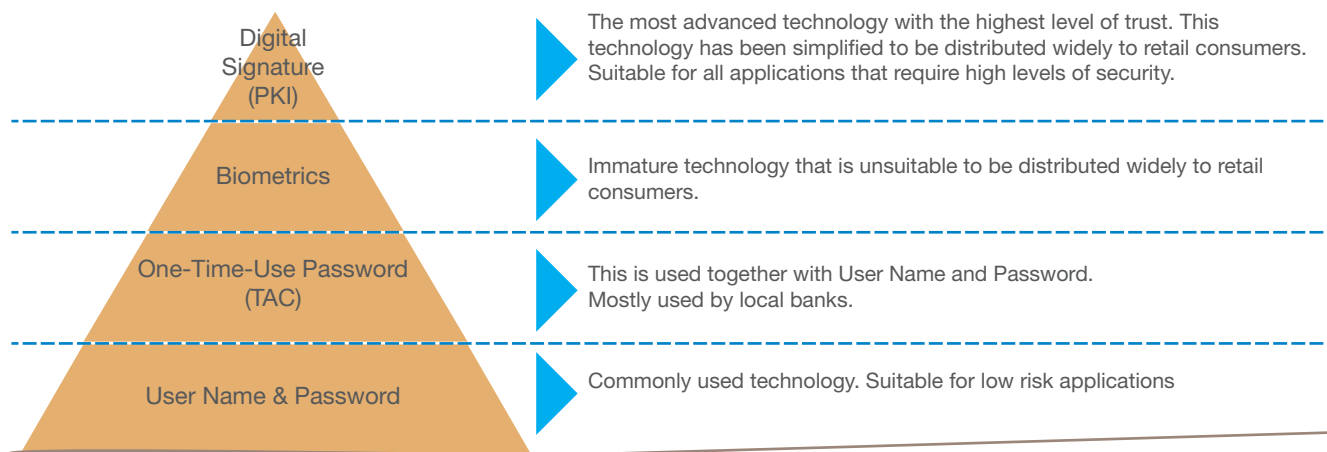


Figure 8 Hierarchy of cyberspace identity protection to ensure the safe use of electronic applications in the market

In order to ensure the effectiveness of the licensed certifying authority in distributing digital signature certificates, MCMC also ensures they use a reliable system for issuing digital certificates. They also have to comply with the prerequisites set by ATD 1997 before issuing a digital certificate to the client. Stringent requirements are necessary to ensure the integrity of the licensing authorities in Malaysia are at the highest level. To date, no cases have been reported to MCMC regarding the violation of the integrity of licensed certifying authorities and the digital certificates issued by any party.

For this purpose, the certifying authority must carry out performance audits each year by auditors who have expertise in the field of computer security recognised by MCMC. Performance audit report for certifying authorities for the year 2012 are as follows:

- i. Digicert Sdn Bhd achieved full compliance in 8 compulsory control areas and firm compliance for the rest; and
- ii. Trustgate MSC Sdn Bhd managed to get full compliance in the 6 control areas and firm compliance for the rest. For the firm compliance areas, MCMC has asked them to submit a monthly report for them to resolve the comments of the auditors they have appointed.

MCMC has also taken positive steps to empower the certifying authority by introducing a compliance audit based on the principle WebTrust for Certification Authority (WebTrust). WebTrust principles are developed by the American Institute of Certified Public Accountants (AICPA) and the Canadian Institute of Chartered Accountants (CICA). This principle is used by certifying authorities in other countries as control standards. Among the advantages of WebTrust principle is that the certifying authority that has complied and received the WebTrust symbol can apply for their root certificates to be included in website browsers like Mozilla, Internet Explorer, Safari and others. MCMC expects that all certifying authorities will get the symbol before the middle of 2014.

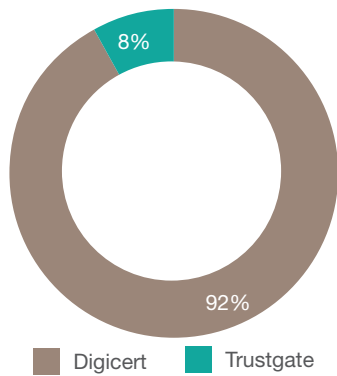
MCMC has also played a role in developing the use of digital certificates in the public and private sectors that has increased from year to year. In 2012, the number of digital certificates have exceeded 5.1 million compared to 4.2 million in 2011, an increase of 20% in a period of 1 year, 92% of which were issued by Digicert Sdn Bhd and the rest by Trustgate MSC Sdn Bhd. Figure 9 shows the growth of digital certificates in Malaysia.



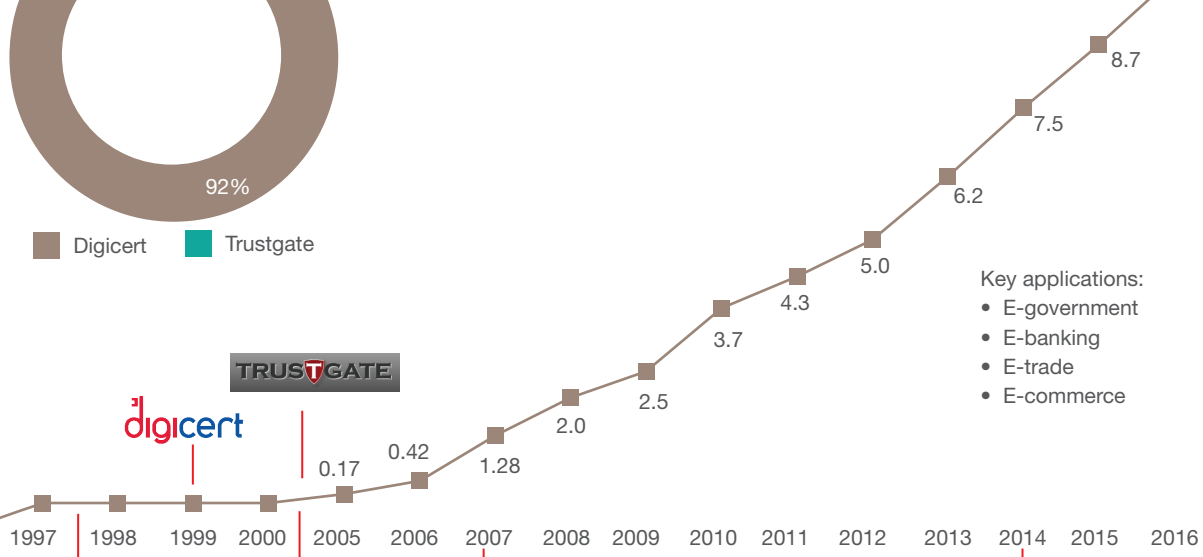
The Development of Public Key Infrastructure in Malaysia is growing rapidly

The role of Certifying Authority has become increasingly important in creating an eco-system of trust in cyber space.

Market Share Q4 2012



Number of Digital Certificates



- Key applications:
- E-government
 - E-banking
 - E-trade
 - E-commerce

- 1997: Digital Signature Act 1997, Certifying Authority Controller was created, Digital Signature Regulations
- 2005: Amendment of Digital Signature Act 1997, MCMC became regulatory body
- 2006: National Broadband Initiative
- 2012: National Cryptography Policy, New Certifying Authority Audit Guidelines
- 2014: Achievement of Webtrust Status (Global Standard)

Figure 9 Growth of digital certificates in Malaysia

Developments in the use of PKI in Malaysia is not comprehensive. However, a PKI paradigm shift has been felt with the development of several high-impact projects in which the PKI-based applications are being developed by government agencies and private companies, including E-Passport Malaysia, E-Court Peninsular Malaysia and others. MCMC is also working with government agencies to identify existing manual processes, with improved use of PKI.

MCMC also expects with the introduction of PKI Mobile project, the use of PKI in Malaysia will grow in parallel with internet banking users in Malaysia with a total of 10.2 million. This improvement will not occur suddenly but the increase will be periodic.

Human Capital Management and Competency Development

Human Capital Management Department

MCMC has undergone an Organisational Restructuring in 2012 with the aim of emphasising the roles and functions of MCMC as a regulatory body. These functions are divided into 3 dominant roles:

- Regulatory Supervision cluster;
- Industry Development cluster; and
- Services and Support cluster.

Each cluster is consolidated to focus its area of functions and responsibilities, allowing more depth in its duties. The focused area of responsibility will reduce overlapping and redundancy of departmental functions, thus, creating a clear demarcation and separation of roles.

2012 Talent Challenge

Today's workforce consist of 4 generations, i.e. Baby Boomers, Gen X, Gen Y and Millennials, with each generation having their own set of needs and ways of communicating. There is no question that we will face a "talent challenge" and will have to devise and employ creative and effective talent management strategies to attract and retain skilled and engaged employees. Greater emphasis is put on developing leaders and retaining talented employees through the Organisational Restructuring exercise.

The Organisational Restructring was carried out to manage the institutionalisation of MCMC's talent management infrastructure and to provide strategic and managerial leadership stance. As such, positions at the strategic implementation and tactical implementation divisions have been beefed-up to provide the support for enterprise leadership of the managerial hierarchy.

In addition, to inculcate an achievement-oriented work culture, Senior Management positions (strategic implementation) has been converted into a Contract System of Employment. The leadership talent management programme is focused on creating a high calibre Senior Management team through development of policies, quality deliverables and greater transparency.

Through the continuous effort of MCMC Management to retain talent, we have maintained our attrition rate at 3%, well below the market rate of 16.9%, in 2012.

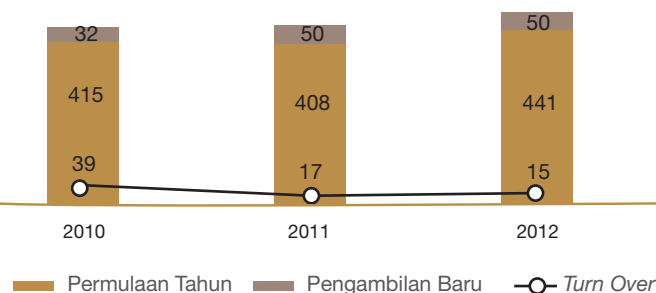
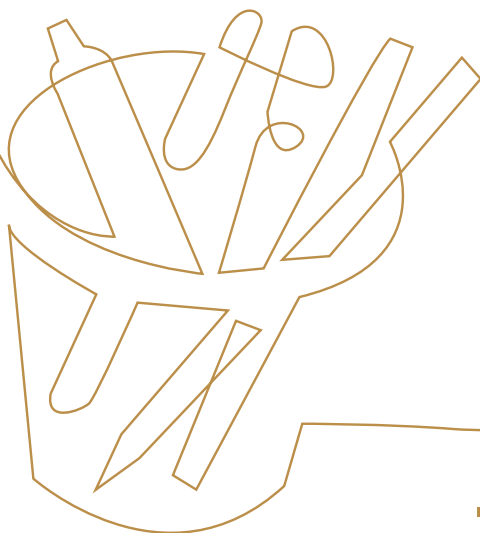


Figure 1 Headcount of employees for the year of 2012

“Negaraku

Tanah tumpahnya darahku

Rakyat hidup

Bersatu dan maju



Organisational Development Department

In 2012, MCMC intensified its efforts in winning the “competition for talent” by enhancing its policies and practices in talent management and rewards. The initiative encompasses major reviews and reengineering of philosophies and processes in talent demand, talent supply, rewards management and performance management.

MCMC’s leadership guided the organisation’s strategic orientation by participating in a series of synthesising processes which saw focused reassessments and improvements of key human capital management practices. Also, the Human Resource Committee played an active role in these initiatives, consistent with MCMC’s commitment to elevate human capital management agenda to the highest level possible. MCMC oversaw initiatives which led to structural redesign, capacity enhancement and development of selected core talent management processes. Contractual positions were introduced at strategic leadership levels to instill high performance-based work culture with self-accountability. Furthermore, new talents from outside the industry were brought in to strengthen certain portfolios at these strategic leadership levels.

MCMC’s emphasis on a performance-differentiated culture had led to major changes in rewards management practice, whereby a new terms and conditions of employment was implemented effective October 2012. MCMC put in place a rewards philosophy and practice reflecting a compelling Employer Value Proposition by implementing a performance driven and equitable pay structure with non-cash benefits. MCMC is within a competitive percentile of the pay philosophy of the market and is poised to support the efforts in recruiting, developing and retaining the best talents. To further drive its Employer Value Proposition, MCMC also strengthened its non-cash components like employee benefits and work life balance, and bolstered selected recognition mechanisms.

In 2012, a strategic workforce planning framework was developed to enable the Commission to better manage its workforce and enhance talent development. Workforce planning is essential to manage the critical talent demands and support a talent mobility plan focusing on job rotation and job enlargement. Distinctively, the talent mobility process was also used to serve as the foundation of a culture of mobility, with the movement as much a part of the organisation culture as a career development or enrichment programme for individual talents.



MCMC Academy

One of the main goals of MCMC is to produce and develop quality human capital. Hence, development programme and planned investments in improving skills and competitiveness are always given a particular focus at MCMC.

The path towards achieving this goal not only covers the development of human capital in MCMC but also includes universal development within the 'Information and Communications Technology Industry'. We believe that to achieve high value in a high-income economy by 2020, industry experts require the necessary skills and knowledge to contribute to the benefit of our citizens, communities and nation.

In line with the following objectives and aspirations, the Academy acts to support the realisation of the targeted strategic initiatives.

Learning and Development – L&D

We support MCMC's mission to enhance the ability of managers and employees, leading to a state of motivated, competent and high performing workforce. L&D aims to provide opportunities for learning and development in a holistic manner across all levels of society- individuals, teams and organisations.

Content Design and Syllabus Development

Our role is to ensure that the content and syllabus of training is in line with the objectives set for a specific target group in MCMC and the industry.

To achieve targeted objectives, structured planning is necessary for the following:

- i. Determining learning objectives;
- ii. Determining course content;
- iii. Developing courseware/course materials;
- iv. Developing a group of trainers comprise of specific area experts (SME's - the subject matter experts); and
- v. Developing the plan for assessing learning results and learning applications.



Planning and Implementation

Oversee the strategic plan of the Academy and focus on implementation of MCMC operational and strategic initiatives for local and regional industry.

Collaborative & Strategic Learning

Work with a variety of Centres of Excellence (CoE), public and private institutes of higher learning (IPTA/IPTS) and other learning and development bodies. This is in line with the main objective to enhance the capability within the industry and competitiveness in the region.

MCMC Academy has sustained commendable achievement where the average number of days of training per employee has continued to increase for the second year in a row. In 2012, the MCMC Academy achievement reached 111.6%, well above the target of 65% based on 7 training days per employee as prescribed by the Ministry of Information, Communications and Culture. Details are illustrated in Tables 1 and 2.

CATEGORY	TOTAL PROGRAMME			TOTAL ATTENDANCE			TOTAL TRAINING DAYS		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
Internal Courses at MCMC Academy	11	40	78	415	1,045	1,721	763	1,993	2,788
Internal Courses at Other Departments	33	22	17	766	494	259	971	535	355
Total Number of Internal Courses	44	62	95	1,181	1,539	1,980	1,734	2,528	3,143
Domestic External Courses	129	123	130	251	234	319	786	468	763
Overseas External Courses	29	28	49	53	44	77	163	163	375
Overall Total	207	213	274	1,481	1,748	2,376	2,709	3,159	4,281
Difference (+/-)		+6	+61		+267	+628		+450	+1,122

Table 1 Training courses statistics attended by MCMC staff for the year 2010 - 2012

ITEM	2010	2011	2012
Average Number of Training Days for Each Staff	6.3 days	6.6 days	7.81 days
Performance (based on the average target of 7 days per employee)	90.00%	93.71%	111.6%

Table 2 Average Performance Training Day and Percentage

Comparison of Key Performance Indicators (KPI) for three years from 2010 to 2012 is as follows:

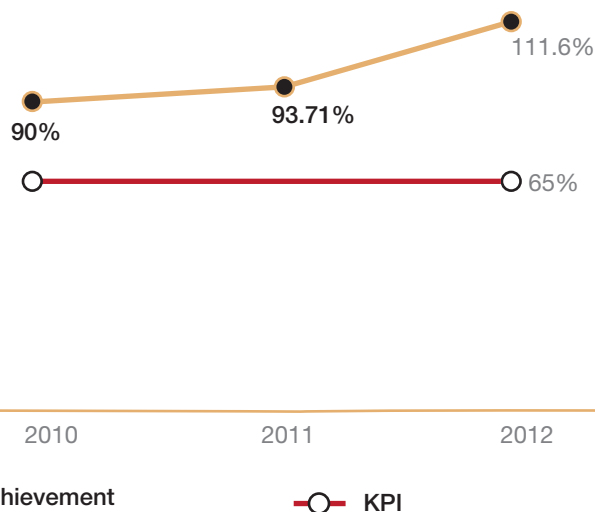


Figure 2 Key Performance Indicators for the achievement of MCMC Academy for a period of three years (2010-2012)

In the long run, the Academy strives to attain the status of Centre of Excellence (CoE) in order to make the MCMC an industry leader through the following initiatives:

- i. Building more strategic relationships with IPTA/IPTS to enhance the quantity and quality of industrial development programmes.
- ii. Accrediting and recognising programme developed in tandem with the creation of skills-based programmes such as the collaboration with the Department of Skills Development (DSD) under the Ministry of Human Resources.
- iii. Developing a programme for post-graduates with diplomas and degrees from IPTA/ IPTS to strengthen their knowledge and skills so as to be better prepared to work in the related industry.

Industry Research

Industry Research Division (IRD) consists of 3 departments, namely the Department of Statistics (STAT), Periodicals Department, and the Department of Information Management and Knowledge Resources (KRC).



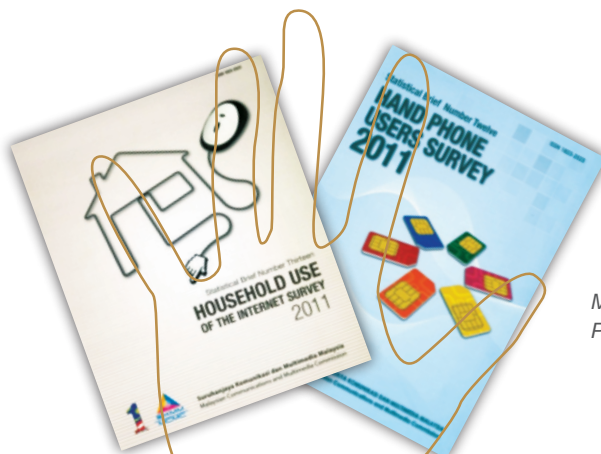
MCMC CATI Centre,
Wisma Pahlawan

Department of Statistics

Department of Statistics is responsible for the statistical reference source for MCMC. Activities undertaken by the department are related to the communications and multimedia industry, postal and courier services as well as digital signatures. The data obtained are primary and secondary data. Primary data is data collected from service users. Secondary data is based on customer records maintained by the service providers in the country. Both types of data are necessary to give a comprehensive view of the sectors mentioned above.

The primary data is obtained through scientific studies conducted in the MCMC data collection centre (CATI) located at Level 7, Wisma Pahlawan, Kuala Lumpur. These studies collect data from users who were interviewed by telephone with the help of computers.

Since its inception, the MCMC CATI Centre has attracted many stakeholders in the research industry and in 2012, the centre received a visit from a delegation from the Department of Statistics Malaysia. The department also received a visit from the National Population and Family Development Board (NPFDB) to obtain more information regarding the use of CATI for their future study.



MCMC Annual Research
Publication

Interviewer at MCMC CATI Centre*Statistician/Supervisor at MCMC CATI Centre*

The Department of Statistics has conducted 8 studies throughout 2012. 2 annual surveys were conducted, which are the Mobile Consumer Survey 2012 and the Household Use of the Internet Survey 2012. Two of these studies are the source of data on the use of mobile phones and the Internet. Data obtained from these studies will be analysed by statisticians in the department and published on an annual basis. These publications are widely used among researchers locally and internationally.

In addition, 6 additional studies were also conducted in 2012 specifically to measure the penetration rate of broadband in households. These studies were ICT Usage in Households Survey, Prepaid Mobile Broadband Survey, Postpaid Mobile Broadband Survey, Data Plans Broadband Survey, Broadband via Mobile Phones

Survey and WiMAX Broadband Usage Survey. Through these surveys, the rate of household broadband penetration in 2012 was found to have reached 66.0%, which is 1.0% more than the target of 65.0% set.

In addition, the Dial-up Internet Survey was performed in 2012 to identify the main reasons Dial-up consumers do not subscribe to broadband Internet.

MCMC Research Publication

Secondary data were obtained from industry players and other parties concerned. Among the data collected were related to the number of broadband subscription, the number of mobile phone subscription, the number of fixed-line telephone subscription, the number of public telephones, the number of digital signature subscription, the number of post offices and courier services, postal and courier workforce, postal and courier coverage, and others.

These data were collected and published in a bilingual book of statistical information quarterly and half-yearly.



Quarterly MCMC Publication on Statistical Information



Half-Yearly MCMC Publication on Postal and Courier Services



MCMC Knowledge Resource Centre Cyberjaya

Department of Knowledge Resources

MCMC Resource Centre, which is open to the public, contains the latest information in the field of communications and multimedia, both in print, online or secondary storage media. It offers a collection of 4,800 titles as of 2012. In addition, the resource centre conducts activities related to MCMC Knowledge Management Initiatives and provides Internet services to its users. The resource centre portal can be accessed through <http://krc.skmm.gov.my/> or MCMC website <http://www.skmm.gov.my/>.

After operating for more than 13 years, it has attracted many users, especially MCMC staff, researchers, students and industry professionals.

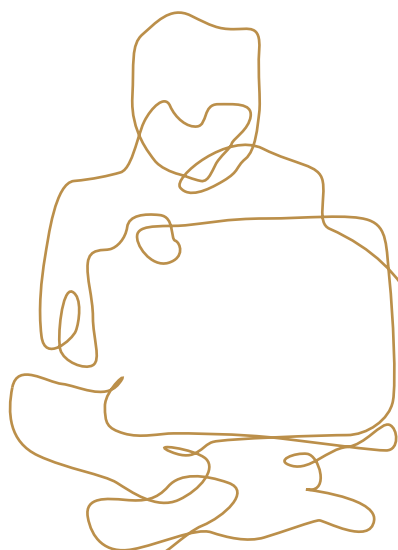
In implementing the third strategy for the MCMC Knowledge Management Initiatives, i.e. 'Procedure for the sharing of knowledge gleaned from courses attended with other staff performing similar tasks', 4 'Sharing the Jewel' sessions were organised in 2012.

For the fourth strategy, the 'Promoting networking/informal relationship between those in need and those who have', the resource centre has organised 13 Tea Talk @ 3 sessions in 2012. Most presenters were the MCMC staff themselves and presentations were conducted informally. It has attracted many MCMC employees to participate to gain knowledge particularly in the field of telecommunications and multimedia. Tea Talk @ 3 sessions have also been recorded and published in compact disc format for future reference.

(dot)myConvergence magazine published twice a year is the success of the department in providing selected articles for knowledge sharing in the field of telecommunications and multimedia. The magazine featuring industry articles was written by MCMC staff and industry representatives. It is a useful reference for local and foreign readers and can be accessed through <http://www.myconvergence.com.my/main/>.



Minister's Foreword
Chairman's Message
Commission Management
Communications and Multimedia Statistical Review
Broadband Management
Infrastructure Development and Standards
Monitoring and Enforcement
Human Capital Management and Competency Development
Statement of Financial Position
Communications and Multimedia Statistics for 2012



International Affairs, Legal and Secretariat

International Affairs

MCMC participates actively in international forums to promote and advocate Malaysia's interest in the communications and multimedia industry. Working closely with the MICC, MCMC represents the Malaysian regulatory authority for the sector, while at the same time building the country's international profile through active engagement and participation in international activities.

MCMC's international engagements are guided by the Communications and Multimedia Act 1998, in particular the first National Policy Objective for facilitating Malaysia's transformation into a global industry hub. Consequently MCMC engages with various international organisations as listed in the Ministerial Direction issued under Section 269 of the Communications and Multimedia Act 1998 on Interworking with Other Authorities.

The main objectives of MCMC's engagement in various international activities are to:

- i. aid domestic communications and multimedia industry to identify expansion opportunities in foreign markets;
- ii. manage progressive market liberalisation of the communications and multimedia sector;
- iii. influence outcomes and developments in the international front through positions chaired and presentation of papers or views during international conferences and meetings; and
- iv. keep up-to-date on the latest international developments, issues and trends in the fast moving communications and multimedia sector.

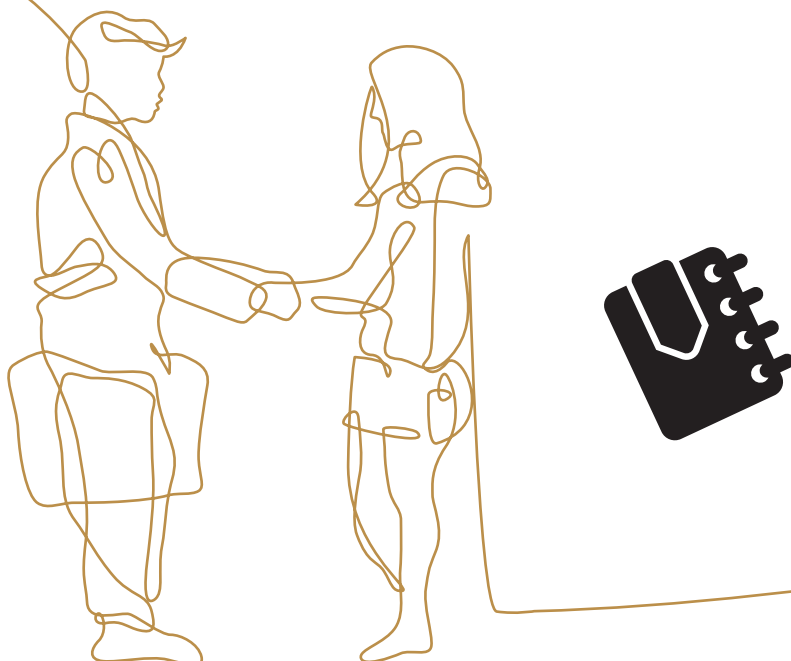
To this end, MCMC works synergistically with its counterparts in the region as well as internationally to enhance regulatory disciplines and best practices towards mutual industry competitiveness and growth, facilitate inbound and outbound trade and investments while at the same time developing human resource capabilities and networking in the communications and multimedia sector.

The MCMC is furthermore involved as the communications and multimedia sectorial expert at various bilateral and multilateral negotiations such as Free Trade Agreements and Economic Partnership Agreements led by the Ministry of International Trade and Industry (MITI) and MICC.

Functional Focus Areas

Functionally, the focus areas of MCMC's international engagements can be divided into the following:

- i. Management of frequency, numbering and Internet addressing;
- ii. Standards and Interoperability;
- iii. Mutual Recognition Arrangements;
- iv. Trade and Liberalisation;
- v. Cooperation on cyber security activities; and
- vi. Content Cooperation and information exchange.





Sectorial Focus Areas

ASEAN

- i. ASEAN Telecommunications Regulators' Council Meeting (ATRC)
- ii. Telecommunications and IT Senior Officials Meeting (TELSOM)
- iii. Telecommunications and IT Ministers' Meeting (TELMIN)
- iv. Border Coordination Meetings to manage and resolve any frequency interference and allocation matters with our neighbours:
 - a. Frequency Allocation Committee of Singapore, Malaysia and Brunei (FACSMAB);
 - b. Joint Technical Committee on Coordination and Assignment of Frequencies along the Malaysia-Thailand Common Border (JTC); and
 - c. Trilateral coordination involving Indonesia, Malaysia and Singapore.

ASIA PACIFIC

- i. Asia Pacific Telecommunity (APT);
- ii. APEC Telecommunications Working Group (APEC TEL); and
- iii. Asia Pacific Postal Union (APPU).

INTERNATIONAL/INTERGOVERNMENTAL ORGANISATIONS

- i. International Telecommunication Union (ITU);
- ii. Universal Postal Union (UPU); and
- iii. Internet Corporation for Assigned Names and Numbers (ICANN).

In total, MCMC participated in 126 international conferences and meetings in 2012 as well as received 12 foreign delegations on study/working visits. The majority of the work for 2012 was focused on the three world ITU conferences, namely the World Radio Conference 2012 (WRC 2012) and the World Telecommunications Standardisation Assembly 2012 (WTSA 2012) as well as the World Conference on International Telecommunications (WCIT 2012).



WORLD RADIO CONFERENCE 2012 (WRC 2012), 23 January to 17 February 2012, Geneva, Switzerland

The MCMC was part of the Malaysian delegation to the World Radio Conference 2012 (WRC 2012). The WRC 2012 was held in Geneva from 23 January to 17 February 2012.

The World Radiocommunication Conferences of the ITU are held every three or four years to review and revise the Radio Regulations, the international treaty governing the use of radio-frequency spectrum and satellite orbit resources. In 2012, ITU received an unprecedented number of proposals (more than 1,700) addressing various issues on the WRC 2012 agenda covering almost all radio services and applications.

Among others, the WRC 2012 series of meetings deliberated and discussed the:

- i. Review and revision of the international regulatory framework for radio communications in order to reflect the increasing convergence and rapid evolution of information and communications technologies. This is needed to enable the Radio Regulations to apply to new and disruptive technologies such as cognitive radio systems and short range devices;
- ii. Management of satellite orbits and spectrum resources whereby demand may soon exceed availability;
- iii. Allocation of scarce radio-frequency spectrum for safety and security of maritime and aeronautical transport as well as those for scientific uses, and environment and disaster mitigation and relief;
- iv. Development of mobile broadband and technologies including the use of the digital dividend arising from the analogue to digital terrestrial television broadcasting switchover as well as from advance digital satellite broadcasting applications.





**WORLD TELECOMMUNICATION
STANDARDISATION ASSEMBLY 2012
(WTSA 2012), 20-29 November 2012,
Dubai, United Arab Emirates**

MCMC attended the WTSA 2012 as part of the Malaysian delegation in Dubai, United Arab Emirates from 20 to 29 November 2012.

The World Telecommunication Standardisation Assembly is held once every four years and meets to consider specific matters related to telecommunication standardisation. The WTSA 2012 took place from 20 to 29 November 2012 in Dubai, United Arab Emirates. Among other things, the Assembly reviewed the working methods, approval processes, work programme structure of Study Groups and planned the work for the next four years for the ITU Standardisation Sector (ITU-T).

The WTSA 2012 adopted six new Resolutions and called for ITU-T to expand its work on e-health, software-defined network and e-waste. ITU member states also requested for the setting up of a Review Committee to ensure that ITU-T meets the needs of an evolving and convergent ICT landscape to enable new innovations such as e-health, intelligent transport systems, smart grid, mobile money and e-learning. The Assembly also called for newly introduced ITU Standards (i.e. ITU-T Recommendations) to be accompanied by implementation guidelines.

**WORLD CONFERENCE
ON INTERNATIONAL
TELECOMMUNICATIONS 2012
(WCIT 2012), 3-14 December 2012, Dubai,
United Arab Emirates**

MCMC also participated in the World Conference on International Telecommunications 2012 (WCIT 2012) held immediately after the WTSA 2012 in Dubai, United Arab Emirates.

The International Telecommunications Regulations (ITR) comes from a long line of treaties, going back to the original ITU Convention of 1865. The ITR is a binding global treaty that seeks to facilitate international interconnection and interoperability of communication services, as well as ensuring efficiency and widespread availability and usefulness of ICTs. ITU member states met to discuss and update the ITRs, which was last reviewed in 1988 in Melbourne, Australia.

Malaysia's delegation to the WCIT 2012 was led by YB Dato' Seri Utama Dr Rais Yatim, who put forth a number of pertinent proposals and recommendations which were well supported by ITU member states and ultimately formed part of the newly revised ITRs.

Corporate Communication

January

6-8 Jan

1Malaysia Broadband Carnival, Jerneh Souq, Terengganu



9 Jan

Signing Ceremony between MCMC and TV Programme Content Providers in Sarawak, Kuching, Sarawak

14 Jan

Workshop on Positive Internet Use and Village Website for the Village Heads, Kamunting, Perak

15 Jan

KTW and CBC Launch in Kg Seri Bunian, Pontian, Johor



16 Jan

Presentation of the MCMC Creative Industry Development Fund by the Minister of Information, Communications and Culture, Cyberjaya, Selangor

20 Jan

1Malaysia Broadband Promotion in conjunction with the distribution of 1Malaysia Netbooks in Santubong Parliament, Sarawak

27-28 Jan

1Malaysia Broadband Carnival, Merbok, Kedah

February

5 Feb

Maulidur Rasul 1433H Celebration, Precinct 2, Putrajaya



9 Feb

Launch of KTW Taman Sri Kenaboi, Jelebu, Negeri Sembilan

12 Feb

Post on Wheel Launch Ceremony and the Appointment of Community Postmen and Community Postal Representative in Lawas, Sarawak

13-17 Feb

Malaysia Social Media Week, PWTC, Kuala Lumpur

14 Feb

Seminar on Consumer Rights in the Communications and Multimedia Industry

18 Feb

Launch of KTW Kampung Tohor, Jelebu, Negeri Sembilan



18-19 Feb

1Malaysia Broadband Community Carnival, Pulau Pangkor, Perak

25 Feb

Launch of Telecommunication Tower in Long Beruang and Long Peluan, Miri and Marudi, Sarawak

27-29 Feb

ICT Awareness and Safety Briefing, ICT Exhibition and Workshop in Conjunction with University of Science Malaysia ICT Week, Kubang Kerian, Kelantan

March

1-3 March

1 Malaysia Broadband Carnival, Balik Pulau, Pulau Pinang



4 March

Launch Ceremony of the Tanjung Assam Telecommunication Tower, Betong, Sarawak

6 March

Launch of KTW Kampai, Jelebu, Negeri Sembilan

7 March

IPv6 Industry Talk (1/2012), Cyberjaya, Selangor

9-11 March

1 Malaysia Broadband Carnival, Alor Setar, Kedah

16 March

World Bloggers and Social Media Awards 2012, PWTC, Kuala Lumpur

20-21 March

Media Visit to KTW & CBC Kuching, Sarawak

April

8 April

Seminar on Radiation Awareness and Safety for Council Members and Residents, Pasir Gudang, Johor



14 April

Launch of KTW Balik Pulau, Pulau Pinang

19 April

Launch of KTW Felda Pasoh 4, Jelebu, Negeri Sembilan

19 April

Roundtable Interview on Child Internet Safety, Angkasapuri, Kuala Lumpur

20-21 April

"Siok Bah Broadband" Promotion in Conjunction with Malaysia Community Consensus Programme 2012, Lahad Datu District, Sabah



May

7-8 May

Nationhood Narrative Competition,
Sabah State Level

8 May

Joint Press Conference with the
Minister – Test-driving the
Quality of Cellular Service,
KL-Cyberjaya



11-13 May

GoMobile,
Kuala Lumpur
Convention Centre

12 May

KLIK IT, Hulu Selangor

17 May

ICT & CBC Rural Outreach 1Malaysia
Camp in conjunction with World
Telecommunications and Information
Society Day 2012

29 May

Awareness Seminar on
Equipment Certification,
Cyberjaya, Selangor

June

10 June

Launch Ceremony of KTW
Felda Chempelak, Semangat,
Johor

14 June

Press Conference on NKEA
Communications Content and
Infrastructure, Angkasapuri,
Kuala Lumpur



16 June

“Siok Bah Broadband” Promotion in
Conjunction with Sharpening of Minds to
Generate Educational Transformation,
Semporna District, Sabah

21 June

Addressing Cyber Crime in the
Community, Johor Bahru, Johor

27 June

GMBO Entrepreneur Seminar
with Kedah Handicraft
Entrepreneurs

July

1 July

National Launch of "Klik Dengan Bijak", Bukit Mertajam, Pulau Pinang

6-7 July

Gen-Y Carnival, Taman Metropolitan, Kuala Lumpur

11-14 Julai

UiTM-AMIC International Conference, Shah Alam, Selangor

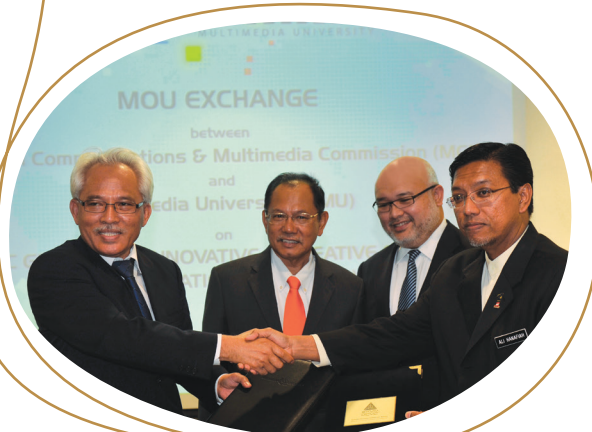
14 Julai

MCMC-Industry Sports Carnival 2012, Taman Pancarona, Precinct 18, Putrajaya



27 July

Memorandum of Understanding Exchange Ceremony between MCMC and Multimedia University for the MaGICCA Pilot Project, Cyberjaya, Selangor



August

1 August

MCMC Breaking of Fast Ceremony 2012, Cyberjaya, Selangor

11 August

Multimedia Charity Tour 2012, Kuala Selangor, Selangor



31 August

Independence Day Procession 2012, Dataran Merdeka, Kuala Lumpur

31 August

Independence Day Bash, Bukit Jalil National Stadium, Kuala Lumpur

September

3 Sep

Breakfast Session between MCMC Chairman and Chief Operating Officers of the Telecommunications Industry, KL Hilton



4 Sep

Launch Ceremony of the 1Malaysia Affordable Broadband Subscription Package by the Minister, Kuala Lumpur

8-9 Sep

1Malaysia Broadband Carnival, Padang Dataran Bentong, Pahang

15 Sep

Closing Ceremony for the ICT Literacy Workshop for Bintulu Community Leaders, Sarawak

16 Sep

49th Malaysia Day Celebration, Bintulu, Sarawak

October

18 Oct

u-Pustaka Proclamation Ceremony, Kuala Lumpur



30 Oct - 1 Nov

"Klik Dengan Bijak" Exhibition in Conjunction with KPKK Innovation Day 2012, National Museum, Kuala Lumpur

November

6 Nov

1 Malaysia Student Discount Card Distribution Programme (KADS1M) and UPSI Cross Campus Programme, Tanjung Malim, Perak

6-7 Nov

CyberSecurity Malaysia Conference, Exhibition and Awards Day, Hotel Hilton, Kuala Lumpur

23-24 Nov

1 Malaysia Broadband Carnival, Padang Majlis Daerah Jeli, Kelantan



24 Nov

An Evening with KPKK and KPT Ministers together with University of Malaya Students, Kuala Lumpur

December

4 Dec

1 Malaysia Community Care Gathering with Royal Malaysian Police, Ampang Jaya, Selangor



10 Dec

ICT KPKK Day with Departments/Agencies 2012, Putrajaya

4 Dec

Media Exposure Event for Kuala Lumpur Communications and Creative Industry Mart, Hotel Shangri-La, Kuala Lumpur



11 Dec

Media and Analyst Briefing on Malaysia's Digital Transformation, Kuala Lumpur

12 Dec

u-Pustaka Broadband and Information Technology Summit for Libraries 2012 (BITS) and u-Pustaka Community Transformation Award 2012 (UCTA 2012), One Utama Hotel, Kuala Lumpur

Statement of Financial Position

As at 31 December 2012

	Note	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Non-current asset				
Property and equipment	3	147,943	82,046	81,544
Current assets				
Fees and other receivables	4	54,478	40,904	27,281
Prepayments		7	422	7
Cash and cash equivalents	5	2,027,960	2,056,532	1,783,780
Total current assets		2,082,445	2,097,858	1,811,068
Total assets		2,230,388	2,179,904	1,892,612
Represented by:				
Accumulated fund	6	1,877,724	1,756,481	1,474,683
Liabilities				
Non-current liability				
Deferred income	7	97,258	105,421	98,508
Current liabilities				
Deferred income	7	165,728	225,363	266,686
Other payables and accrued expenses	8	88,831	89,342	52,015
Current tax liability		847	3,297	720
Total current liabilities		255,406	318,002	319,421
Total liabilities		352,664	423,423	417,929
Total accumulated fund and liabilities		2,230,388	2,179,904	1,892,612

The notes on pages 196 to 211 are an integral part of these financial statements.

Statement of Income and Expenditure

For the year ended 31 December 2012

	Note	2012 RM'000	2011 RM'000
Income			
Operating licence fees		111,093	105,349
Spectrum fees		354,662	344,157
Interest income		72,317	59,914
Gain on disposal of equipment		262	5
Reversal of impairment loss on fees receivables		50	250
Other income		10,241	9,669
		548,625	519,344
Expenditure			
Human resource expenses		59,568	52,570
Administrative expenses		60,311	51,390
Special projects expenses		232,433	46,529
Industry development grant expenses		13,963	44,220
Audit fee		65	50
Rental expenses			
- premises		3,665	1,376
- network		2,162	2,111
- others		596	1,304
Depreciation of property and equipment	3	17,027	15,488
Impairment loss on fees receivables		550	493
Rebate entitlement expenses		11,001	-
Other expenses		7,264	7,283
		408,605	222,814
Excess of income over expenditure before tax		140,020	296,530
Income tax expense	9	(18,777)	(14,732)
Excess of income over expenditure after tax	6	121,243	281,798

The notes on pages 196 to 211 are an integral part of these financial statements.

Statement of Total Recognised Gains and Losses

For the year ended 31 December 2012

There were no recognised gains and losses other than the excess of income over expenditure after tax for the current financial year and the previous financial year.

The notes on pages 196 to 211 are an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2012

	2012 RM'000	2011 RM'000
Cash flows from operating activities		
Excess of income over expenditure before tax	140,020	296,530
Adjustments for:		
Depreciation of property and equipment	17,027	15,488
Gain on disposal of equipment	(262)	(5)
Interest income	(72,317)	(59,914)
Operating surplus before changes in working capital	84,468	252,099
Changes in working capital:		
Deferred income	(67,798)	(34,410)
Fees and other receivables and prepayments	(18,995)	(792)
Other payables and accrued expenses	(511)	37,327
Cash (used in) generated from operations	(2,836)	254,224
Tax paid	(21,227)	(12,155)
Net cash (used in)/generated from operating activities	(24,063)	242,069
Cash flows from investing activities		
Acquisition of property and equipment	(82,929)	(15,990)
Interest received	78,153	46,668
Proceeds from disposal of equipment	267	5
Net cash (used in)/generated from investing activities	(4,509)	30,683
Net (decrease)/increase in cash and cash equivalents	(28,572)	272,752
Cash and cash equivalents at 1 January	2,056,532	1,783,780
Cash and cash equivalents at 31 December (Note 5)	2,027,960	2,056,532

Nota-nota pada halaman 196 hingga 211 merupakan sebahagian penting daripada penyata kewangan ini.

Notes to the Financial Statements

Principal activities

The principal activities of the Malaysian Communications and Multimedia Commission (“Comission”) are to implement and to enforce the provisions of the communications and multimedia laws as stipulated in the Communications and Multimedia Act (CMA) 1998 and the Malaysian Communications and Multimedia Commission Act (MCMCA) 1998.

The address of the principal place of business is as follows:

Principal place of business

63000 Cyberjaya
Selangor Darul Ehsan

The financial statements were approved by the Commission’s Members on 29 August 2013.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Commission have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards. These are the Commission’s first financial statements prepared in accordance with MFRS and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied.

In the previous years, the financial statements of the Commission were prepared in accordance with Financial Reporting Standards (“FRS”). The transition to MFRSs did not have any significant financial impact to the financial statements of the Commission.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Commission:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to MFRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements*
- MFRS 12, *Disclosure of Interests in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits (2011)*
- MFRS 127, *Separate Financial Statements (2011)*
- MFRS 128, *Investments in Associates and Joint Ventures (2011)*
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards – Government Loans*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- MFRS 9, *Financial Instruments (2009)*
- MFRS 9, *Financial Instruments (2010)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures*

The Commission plans to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning on 1 January 2013 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2012 and 1 January 2013, except for MFRS 11, MFRS 12, MFRS127, MFRS 128, IC Interpretation 20, Amendments to MFRS 134, Amendments to MFRS 11 and Amendments to MFRS 12 which are not applicable to the Commission.
- from the annual period beginning on 1 January 2014 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014, except for Amendments to MFRS 12 and Amendments to MFRS 127 which are not applicable to the Commission.
- from the annual period beginning on 1 January 2015 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2015.

The amendments to MFRS 10 are effective for annual periods beginning on or after 1 January 2013. The commission is currently assessing the financial impact of adopting the amendments to MFRS 10.

Except as disclosed above, the initial application of the applicable standard, an amendment or an interpretation is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Commission's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than as disclosed in Note 2(e)(i).

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and in preparing the opening MFRS statement of financial position of the Commission at 1 January 2011 (the transition date to MFRS framework), unless otherwise stated.

(a) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Commission becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instruments categories and subsequent measurements

The Commission categorises financial instruments as follows:

Financial assets

Loans and receivables

Loans and receivables category comprises fees and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets are subject to review of impairment (see Note 2(e)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the statement of income and expenditure.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of income and expenditure.

(b) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

2. Significant accounting policies (continued)

(b) Property and equipment (continued)

(i) Recognition and measurement (continued)

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment and is recognised net within "other income" or "other expenses" respectively in the statement of income and expenditure.

(ii) Subsequent costs

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Commission and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in the statement of income and expenditure as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in the statement of income and expenditure on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Freehold land is not depreciated. Capital work-in-progress are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Office and communication equipment	6 – 7 years
• Computer equipment	3 – 5 years
• Furniture and fittings	6 – 7 years
• Motor vehicles	5 years
• Building	50 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

(c) Fees and other receivables

Fees and other receivables are categorised and measured as loans and receivables in accordance with Note 2(a)(ii).

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with licensed banks and highly liquid investments which have an insignificant risk of changes in value.

Cash and cash equivalents are categorised and measured as loans and receivables in accordance with Note 2(a)(ii).

2. Significant accounting policies (continued)

(e) Impairment of assets

(i) Financial assets

All financial assets are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised.

An impairment loss in respect of loans and receivables is recognised in the statement of income and expenditure and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

(ii) Other assets

The carrying amounts of other assets are reviewed at the end of each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in the statement of income and expenditure. Impairment losses recognised in respect of cash-generating units (groups of cash-generating units) are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the statement of income and expenditure in the year in which the reversals are recognised.

(f) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus if the Commission has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2. Significant accounting policies (continued)

(f) Employee benefits (continued)

(ii) State plans

The Commission's contributions to the statutory pension funds are charged to the statement of income and expenditure in the financial year to which they relate. Once the contributions have been paid, the Commission has no further payment obligations.

(g) Fees and other income

(i) Operating licence fees

Operating licence fees are recognised on the following basis:-

- a) a minimum RM50,000 or a maximum licence fees of 0.50% of Gross Annual Turnover of the licensee is recognised on an accrual basis upon the anniversary of the licence and annually thereafter.
- b) the difference between the minimum and the maximum refers to maximum rebates of 0.35% given to licensees only upon meeting the criteria set and approved by the Commission.

(ii) Spectrum fees

Spectrum fees consist of apparatus and spectrum assignment fees. Renewal notifications are sent to the assignment holders before the expiry of the assignment. Upon receiving the notification, the assignment holders are required to make a fresh application for new assignment. Spectrum fees are recognised on an accrual basis over the licence periods granted.

(iii) Interest income

Interest income is recognised in the statement of income and expenditure as it accrues, taking into account the effective yield on the asset.

(h) Income tax expense

Income tax expense is in respect of tax on interest income earned during the financial year. All other income is exempted from taxation as the Commission is tax exempt under Section 127(3) of the Income Tax, 1967.

Income tax expense comprises of current tax. Income tax expense is recognised in the statement of income and expenditure.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

3. Property and equipment

	Office and communication equipment RM'000	Computer equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Freehold land RM'000	Building RM'000	Capital work-in- progress RM'000	Total RM'000
Cost								
At 1 January 2011	6,916	160,189	3,799	6,389	10,873	36,729	4,647	229,542
Additions	1,047	5,389	324	2,952	-	-	6,278	15,990
Disposals	-	(15)	-	-	-	-	-	(15)
Reclassifications	-	1,131	-	-	-	1,070	(2,201)	-
At 31 December 2011/ 1 January 2012	7,963	166,694	4,123	9,341	10,873	37,799	8,724	245,517
Additions	482	1,837	178	1,976	-	-	78,456	82,929
Disposals	(196)	(368)	(19)	(1,572)	-	-	-	(2,155)
Reclassifications	228	4,086	-	-	-	-	(4,314)	-
At 31 December 2012	8,477	172,249	4,282	9,745	10,873	37,799	82,866	326,291
Accumulated depreciation								
At 1 January 2011	4,851	131,169	2,787	4,539	-	4,652	-	147,998
Charge for the year	652	12,507	360	1,220	-	749	-	15,488
Disposals	-	(15)	-	-	-	-	-	(15)
At 31 December 2011/ 1 January 2012	5,503	143,661	3,147	5,759	-	5,401	-	163,471
Charge for the year	544	14,021	296	1,410	-	756	-	17,027
Disposals	(194)	(365)	(19)	(1,572)	-	-	-	(2,150)
At 31 December 2012	5,853	157,317	3,424	5,597	-	6,157	-	178,348
Net book value								
At 31 December 2010	2,065	29,020	1,012	1,850	10,873	32,077	4,647	81,544
At 31 December 2011/ 1 January 2012	2,460	23,033	976	3,582	10,873	32,398	8,724	82,046
At 31 December 2012	2,624	14,932	858	4,148	10,873	31,642	82,866	147,943

4. Fees and other receivables

	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Fees receivables (see Note 12.4)	20,823	2,883	2,732
Interest income receivables	29,664	35,500	22,254
Advances to staff	1,516	373	915
Other deposits	1,108	934	441
Other receivables	783	703	390
Staff loans	584	511	549
	33,655	38,021	24,549
	54,478	40,904	27,281

5. Cash and cash equivalents

	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Cash and bank balances	28,151	16,451	107,631
Deposits placed with licensed banks	1,999,809	2,040,081	1,676,149
	2,027,960	2,056,532	1,783,800

6. Accumulated fund

	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Initial fund	60,000	60,000	60,000
Accumulated surplus brought forward	1,696,481	1,414,683	1,168,407
Payments made to the consolidated trust fund	-	-	-
	1,696,481	1,414,683	1,168,407
Excess of income over expenditure after tax	121,243	281,798	246,276
Accumulated surplus carried forward	1,877,724	1,756,481	1,474,683

The initial fund has been utilised in the previous years to finance the working capital of the Commission.

7. Deferred income

	31.12.2012	31.12.2011	1.1.2011
	RM'000	RM'000	RM'000
Current			
Spectrum fees			
3G spectrum assignment fees	90,524	72,818	75,855
Apparatus assignment fees	74,082	151,821	190,055
Operating licence fees			
Class licence fees	1,122	724	776
	165,728	225,363	266,686
Non-current			
Spectrum fees			
3G spectrum assignment fees	96,573	104,628	97,883
Apparatus assignment fees	685	793	625
	97,258	105,421	98,508
Total deferred income	262,986	330,784	365,194

Deferred income relates to the amount of unearned income from payments made by licensees that will only be recognised in future financial periods.

8. Other payables and accrued expenses

	31.12.2012	31.12.2011	1.1.2011
	RM'000	RM'000	RM'000
Other payables	14,146	16,460	9,621
Accrued expenses	74,685	72,882	42,394
	88,831	89,342	52,015

9. Income tax expense

	2012 RM'000	2011 RM'000
Current tax expense		
Malaysian - current year	18,365	14,592
- prior year	412	140
Total income tax expense	18,777	14,732
Reconciliation of tax expense		
Excess of income over expenditure before taxation	140,020	296,530
Income tax calculated using Malaysian tax rate of 25%	35,005	74,133
Tax exempt income	(118,791)	(115,244)
Non-deductible expenses	102,151	55,703
Under provision in prior year	18,365 412	14,592 140
	18,777	14,732

The Commission has been granted tax exemption from Year of Assessment 2000 onwards by the Ministry of Finance under Section 127(3) (b) of the Income Tax Act, 1967. The current tax expense is in respect of interest income not exempted from tax.

10. Key management personnel compensation

The key management personnel compensation is as follows:

	2012 RM'000	2011 RM'000
Commission and Executive Committee members' remuneration	8,020	6,010

11. Capital commitment

	2012 RM'000	2011 RM'000
Property and equipment		
Authorised but not contracted for	174,107	127,280
Contracted but not provided for	93,569	5,330
	267,676	132,610

12. Financial instruments**12.1 Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables (L&R); and
(b) Financial liabilities measured at amortised cost ("FL")

	Carrying amount RM'000	L&R/ (FL) RM'000
31 December 2012		
Financial assets		
Fees and other receivables	54,478	54,478
Cash and cash equivalents	2,027,960	2,027,960
	2,082,438	2,082,438
Financial liabilities		
Other payables and accrued expenses	(88,831)	(88,831)
31 December 2011		
Financial assets		
Fees and other receivables	40,904	40,904
Cash and cash equivalents	2,056,532	2,056,532
	2,097,436	2,097,436
Financial liabilities		
Other payables and accrued expenses	(89,342)	(89,342)
1 January 2011		
Financial assets		
Fees and other receivables	27,281	27,281
Cash and cash equivalents	1,783,780	1,783,780
	1,811,061	1,811,061
Financial liabilities		
Other payables and accrued expenses	(52,015)	(52,015)
12.2 Net gains arising from financial instruments		
	2012 RM'000	2011 RM'000
Net gains on:		
Loans and receivables	71,817	59,671

12. Financial instruments (continued)

12.3 Financial risk management

The Commission has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk

12.4 Credit risk

Credit risk is the risk of a financial loss to the Commission if a licensee or counterparty to a financial instrument fails to meet its contractual obligations. The Commission's exposure to credit risk arises principally from its fees and other receivables, bank balances and deposits placed with licensed banks.

Fees and other receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and monitors the exposure to credit risk on an ongoing basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from fees and other receivables is represented by the carrying amounts in the statement of financial position as disclosed in Note 4.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are major licensees that have been transacting with the Commission. The Commission uses ageing analysis to monitor the credit quality of the fees receivables. Any receivables having significant balances past due more than 360 days, which are deemed to have higher credit risk, are monitored individually.

12. Financial instruments (continued)**12.4 Credit risk (continued)****Fees and other receivables (continued)****Impairment losses**

The ageing of fees receivables as at the end of the reporting period was as follows:

	Gross RM'000	Individual impairment RM'000	Net RM'000
31 December 2012			
Not past due	1,195	-	1,195
Past due 1 - 90 days	19,007	-	19,007
Past due 91 - 360 days	621	-	621
Past due more than 360 days	6,944	(6,944)	-
	27,767	(6,944)	20,823
31 December 2011			
Not past due	1,305	-	1,305
Past due 1 - 90 days	253	-	253
Past due 91 - 360 days	1,277	-	1,277
Past due more than 360 days	6,950	(6,902)	48
	9,785	(6,902)	2,883
1 January 2011			
Not past due	1,742	(250)*	1,492
Past due 1 - 90 days	212	-	212
Past due 91 - 360 days	1,328	(300)	1,028
Past due more than 360 days	6,109	(6,109)	-
	9,391	(6,659)	2,732

* Allowance for impairment losses of fee receivables had been provided for the amount not past due as it was related to the impairment losses incurred by the same licensee in the past years.

	2012 RM'000	2011 RM'000
At 1 January	6,902	6,659
Impairment loss recognised	550	493
Impairment loss reversed	(50)	(250)
Impairment loss adjustment	(458)	-
At 31 December	6,944	6,902

The allowance account in respect of fees receivables is used to record impairment losses. Unless the Commission is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

12. Financial instruments (continued)

12.4 Credit risk (continued)

Deposits placed with licensed banks

Risk management objectives, policies and processes for managing the risk

Deposits are allowed to be placed only with licensed financial institutions.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the Commission has only placed deposits with domestic licensed banks. The maximum exposure to credit risk arising from deposits placed with licensed banks is represented by the carrying amounts in the statement of financial position as shown in Note 5. The Commission has no significant concentration of credit risk other than the placement in 3 domestic licensed banks.

12.5 Liquidity risk

Liquidity risk is the risk that the Commission will not be able to meet its financial obligations as they fall due. The Commission's exposure to liquidity risk arises principally from its various payables.

The Commission maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

Maturity analysis

The table below summarises the maturity profile of the Commission's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual cash flows RM'000	Under 1 year RM'000
31 December 2012			
Other payables and accrued expenses	88,831	88,831	88,831
31 December 2011			
Other payables and accrued expenses	89,342	89,342	89,342
1 January 2011			
Other payables and accrued expenses	52,015	52,015	52,015

12. Financial instruments (continued)**12.6 Interest rate risk**

The Commission is exposed to interest rate risk on its fixed deposits placements. The Commission does not transact in any interest rate swaps.

Effective interest rates and repricing analysis

In respect of interest-earning financial assets, the following table indicates their average effective interest rates at the reporting date and the periods in which they mature.

	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Fixed rate instruments			
Financial assets			
Deposits (Note 5)	1,999,809	2,040,081	1,676,149

	2012		2011			
	Effective interest rate %	Within 1 year RM'000	1-5 years RM'000	Effective interest rate %	Within 1 year RM'000	1-5 years RM'000
Fixed rate instrument						
Deposits	3.38	1,999,809	-	3.01	2,040,081	-

Fair value sensitivity analysis for fixed rate instruments

The Commission does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect the statement of income and expenditure.

12.7 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, fees and other receivables and other payables and accruals approximate fair values due to the relatively short term nature of these financial instruments.

13. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Commission if the Commission has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Commission and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Commission either directly or indirectly. The key management personnel include all the Members of the Commission, and certain members of senior management of the Commission.

The Commission has a related party relationship with its Members and key management personnel.

Transactions with key management personnel

There are no transactions with key management personnel other than the key management personnel compensation as disclosed in Note 10.

Other related party transactions

There are no other related party transactions during the financial year.

14. Subsequent event

On 25 March 2013, the Commission entered into a sales and purchase agreement to purchase an office building at a purchase consideration of RM158.0 million.

Statement by the Members

We, **Dato' Mohamed Sharil bin Mohamed Tarmizi** and **Chew Liong Kim**, being two of the Members of the Malaysian Communications and Multimedia Commission, do hereby state that in the opinion of the Members of the Commission, the financial statements set out on pages 192 to 211 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Commission as of 31 December 2012 and of its income and expenditure and cash flows for the year then ended.

On behalf of Members of the Malaysian Communications and Multimedia Commission:



Dato' Mohamed Sharil bin Mohamed Tarmizi



Chew Liong Kim

Selangor,

Date: 29 August 2013

Statutory Declaration

I, **Tengku Zaib Raja Ahmad**, the officer primarily responsible for the financial management of Malaysian Communications and Multimedia Commission, do solemnly and sincerely declare that the financial statements set out on pages 192 to 211 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed in Selangor on 29 August 2013.



Tengku Zaib Raja Ahmad

Before me:



NO: 69A, JALAN SS 21/37
DAMANSARA UTAMA,
47400 PETALING JAYA,
SELANGOR DARUL EHSAN.

Minister's
Foreword

Chairman's
Message

Commission
Management

Communications
and Multimedia
Statistical
Review

Broadband
Management

Infrastructure
Development
and Standards

Monitoring
and
Enforcement

Human Capital
Management
and
Competency
Development

Statement
of Financial
Position

Communications
and Multimedia
Statistics for
2012

Independent Auditors' Report to the Members of Malaysian Communications and Multimedia Commission

We have audited the financial statements of the Malaysian Communications and Multimedia Commission ("Commission"), which comprise the statement of financial position as at 31 December 2012, and the statements of income and expenditure, total recognised gains and losses and cash flows of the Commission for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 192 to 211.

Management of the Commission's Responsibility for the Financial Statements

The Management of the Commission is responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Management of the Commission is also responsible for such internal control as the Management of the Commission determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Commission's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management of the Commission, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Commission as of 31 December 2012 and of its income and expenditure and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

As stated in Note 1(a) to the financial statements, the Commission adopted Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by the Management of the Commission to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statements of income and expenditure, total recognised gains and losses and cash flows for the year ended 31 December 2011 and related disclosures. We were not engaged to report on the comparative information that is prepared in accordance with MFRS and IFRS, and hence it is unaudited. Our responsibilities as part of our audit of the financial statements of the Commission for the year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the year then ended.

This report is made solely to the members of the Commission, as a body, in accordance with Section 47(2) of the Malaysian Communications and Multimedia Commission Act 1998 and for no other purpose. We do not assume responsibility to any other person for the content of this report.



KPMG

Firm Number: AF 0758
Chartered Accountants



Hasman Yusri Yusoff

Approval Number: 2583/08/14(J)
Chartered Accountant

Petaling Jaya,

Date: 29 August 2013

Communications and Multimedia Statistics for 2012

1. Malaysia Basic Indicators

YEAR	POPULATION (MILLION)	HOUSEHOLDS (‘000)	GDP (RM)		CONSUMER PRICE INDEX (CPI)
			CURRENT PRICE (BILLION)	CONSTANT PRICE (BILLION)	
Notes	a			b	c
2012	29.00	6,744	941.237	751.471	104.9

Sources: Prime Minister’s Department, Bank Negara Malaysia

Notes:

- Population projection as at the end of the period based on the 2000 census
- Base year is 2005
- Base year is 2010

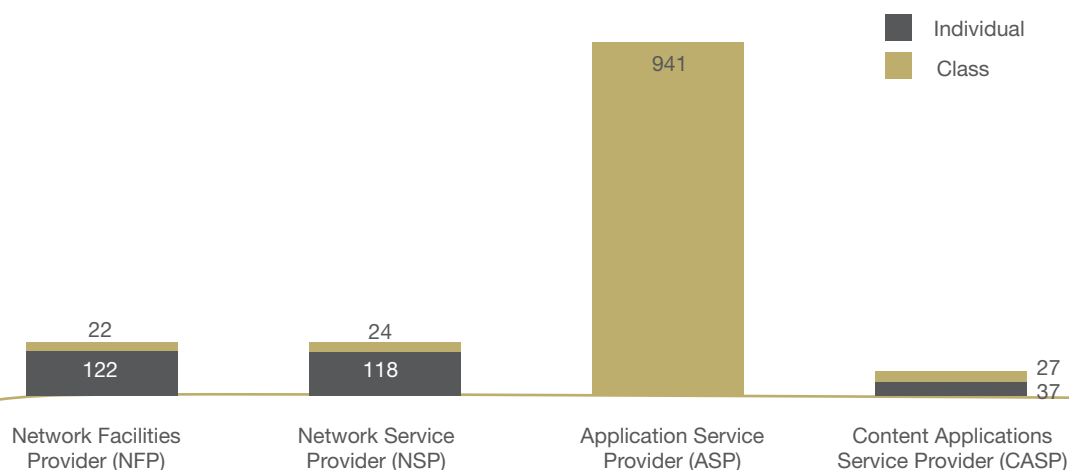
2. Penetration Rates at a Glance

YEAR	BROADBAND		CELLULAR PHONE	DIRECT EXCHANGE LINE (DEL)
	PER 100 INHABITANTS	PER 100 HOUSEHOLDS	PER 100 INHABITANTS	PER 100 HOUSEHOLDS
Notes	a	b	c	d
2012	21.7	66.0	142.5	34.4

Notes:

- The broadband penetration rate per 100 inhabitants is calculated by dividing the number of subscriptions for household and non-household by the total population, and multiplying by 100. Public WiFi subscriptions are not taken into account.
- The broadband penetration rate per 100 households is calculated by dividing the number of subscriptions for private households by the total number of private households and multiplying by 100. Non-household and public WiFi subscriptions are not taken into account.
- Cellular phone penetration rate is calculated as the total subscription divided by total population and multiplied by 100. Penetration rates exceeding 100% can be attributed to customers with more than one subscription.
- Direct Exchange Line (DEL) penetration rate per 100 households is calculated by dividing the number of private household subscriptions by the number of private households and multiplied by 100.

3. Number of Licences for 2012



4. Number of Employees in the Telecommunications Industry

YEAR	NUMBER OF EMPLOYEES DURING DECEMBER OR DURING THE LAST PAY PERIOD			SALARIES AND WAGES PAID
	TOTAL	SALARIED EMPLOYEES		
		FULL-TIME	PART-TIME	
2009	40,146	39,988	158	2,241,733
2010	44,458	44,278	180	2,368,560
2011	42,045	41,978	67	2,633,228

Source: Prime Minister's Department

Notes:

Telecommunications includes the transmission of sounds, images, data or other information via cables, broadcasting, relay or satellite, and including network maintenance. It covers Class 6420 of the Malaysian Standard Industrial Classification 2000 (MSIC 2000) and the following items:

- 64201 Telephone services (public and mobile), including telegraph and telex and fax.
- 64202 Television and radio broadcasting services. Does not include production of radio and television programmes, whether or not it is combined with broadcasting.
- 64203 Data communication services including network operations.
- 64204 Paging services.
- 64209 Other telecommunications services not classified elsewhere in the MSIC 2000.

5. Number of Broadband Subscriptions and Penetration Rates

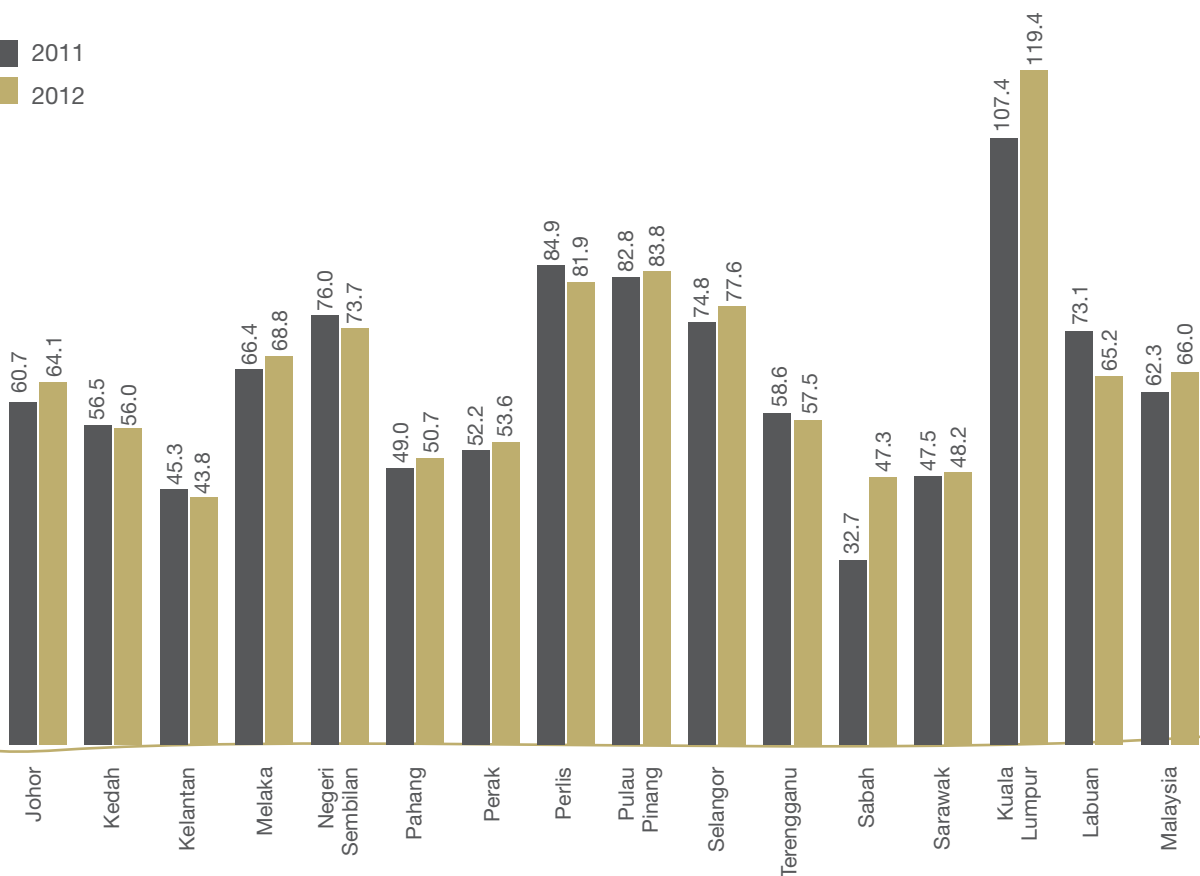
YEAR	FIXED (WIRED) A	WIRELESS B	1MALAYSIA NETBOOK	TOTAL ('000)
Total				
2012	2,215.8	3,620.2	279.2	6,115.1
Population Penetration Rate				22.5
Household				
2012	1,814.6	2,244.4	279.2	4,338.2
Household Penetration Rate				67.2
Non-household				
2012	401.2	1,375.8	N/A	1,777.0

Notes:

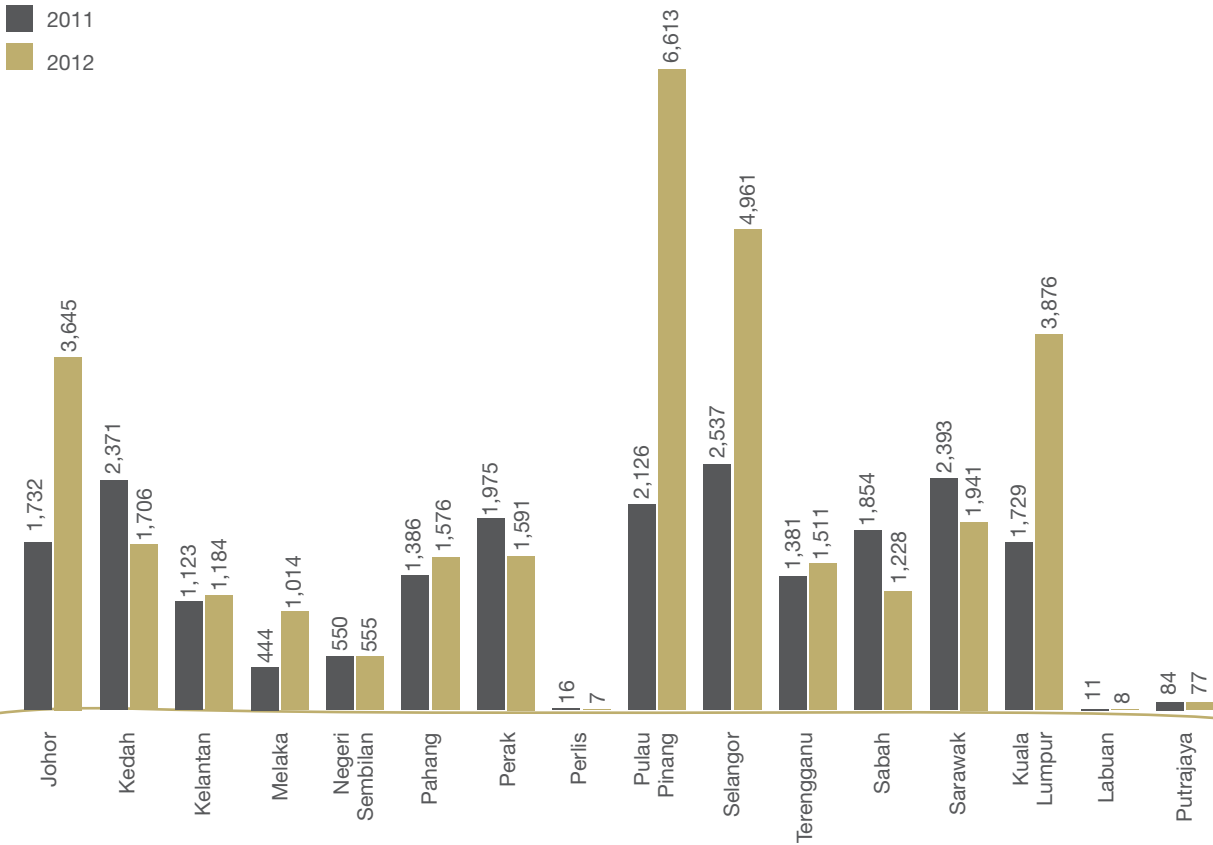
- a. Including ADSL, SDSL, VDSL, Fibre, Satellite and Fixed Wireless.
- b. Including Mobile Broadband, Pay Per Use, WiMAX and EVDO

6. Broadband Penetration Rate Per 100 Households by State

■ 2011
■ 2012



7. Number of Hotspot Locations by State

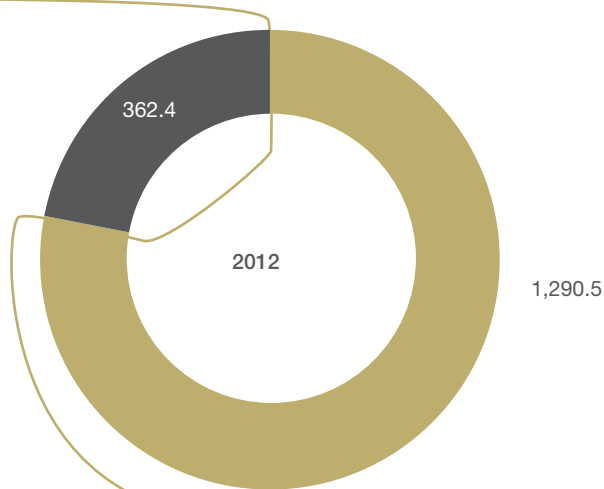


8. Community Access 2012

STATE	1MALAYSIA COMMUNITY BROADBAND CENTRE (CBC)		MINI COMMUNITY BROADBAND CENTRE (MINI CBC)	1MALAYSIA COMMUNITY BROADBAND LIBRARY (CBL)	1MALAYSIA WIRELESS VILLAGE (KAMPUNG TANPA WAYAR)	
	NO. OF CENTRES	NO. OF MEMBERS			CTH	CBA
Johor	45	43,052	8	6	251	281
Kedah	20	22,161	7	17	148	29
Kelantan	20	18,941	10	11	108	13
Melaka	13	9,357	2	5	91	57
Negeri Sembilan	16	14,563	3	7	127	75
Pahang	37	33,429	11	6	199	118
Perak	15	14,075	11	N/A	102	141
Perlis	3	2,897		N/A	20	27
Pulau Pinang	N/A	N/A	1	N/A	N/A	39
Selangor	12	14,265	6	11	96	59
Terengganu	17	16,689	6	9	93	70
Sabah	19	24,024	23	1	144	360
Sarawak	34	34,388	33	26	164	458
WP Kuala Lumpur	N/A	N/A	N/A	N/A	N/A	6
WP Labuan	N/A	N/A	N/A	N/A	N/A	9
WP Putrajaya	N/A	N/A	N/A	N/A	N/A	2
Total	251	247,841	121	99	1,543	1,744

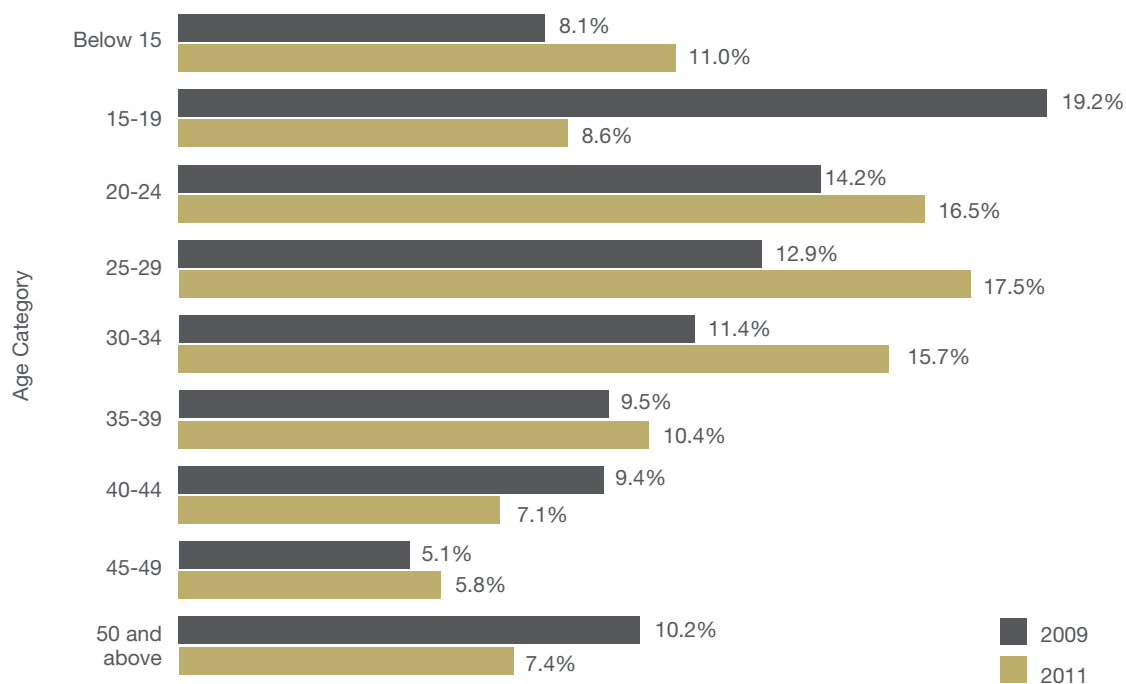
Source: MCMC, Ministry of Information, Communications and Culture (MICC)

9. Number of Hotspot Subscriptions



Hotspot ('000)
WiFi Broadband Project ('000)

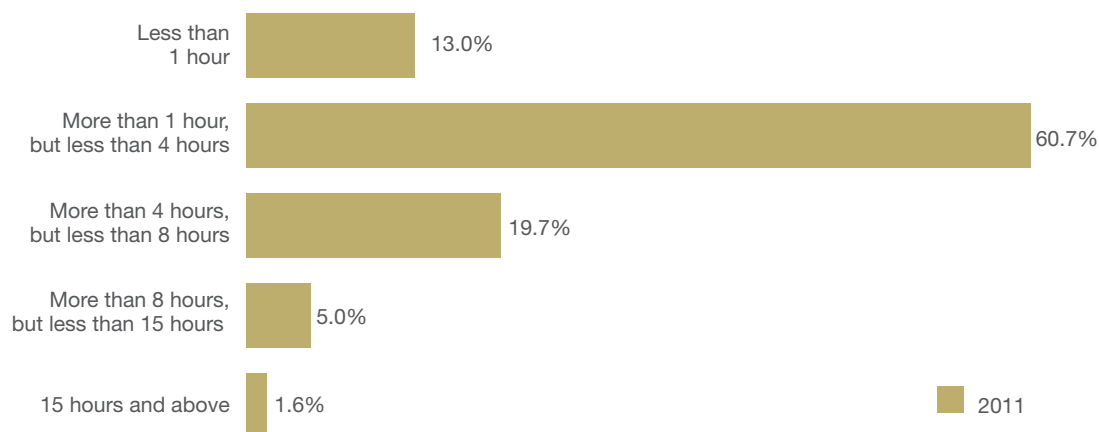
10. Percentage of Household Internet Users by Age Category



Notes:

Tables 10-12 is the study of household Internet usage conducted by MCMC in 2005, 2006, 2008, 2009 and 2011. This study only includes users in private households who access the Internet via an ADSL and/or dial-up at least once in the last month. Starting in 2011, the study was extended to users in private households who access the Internet through ADSL connections, Mobile Broadband, UniFi and WiMAX.

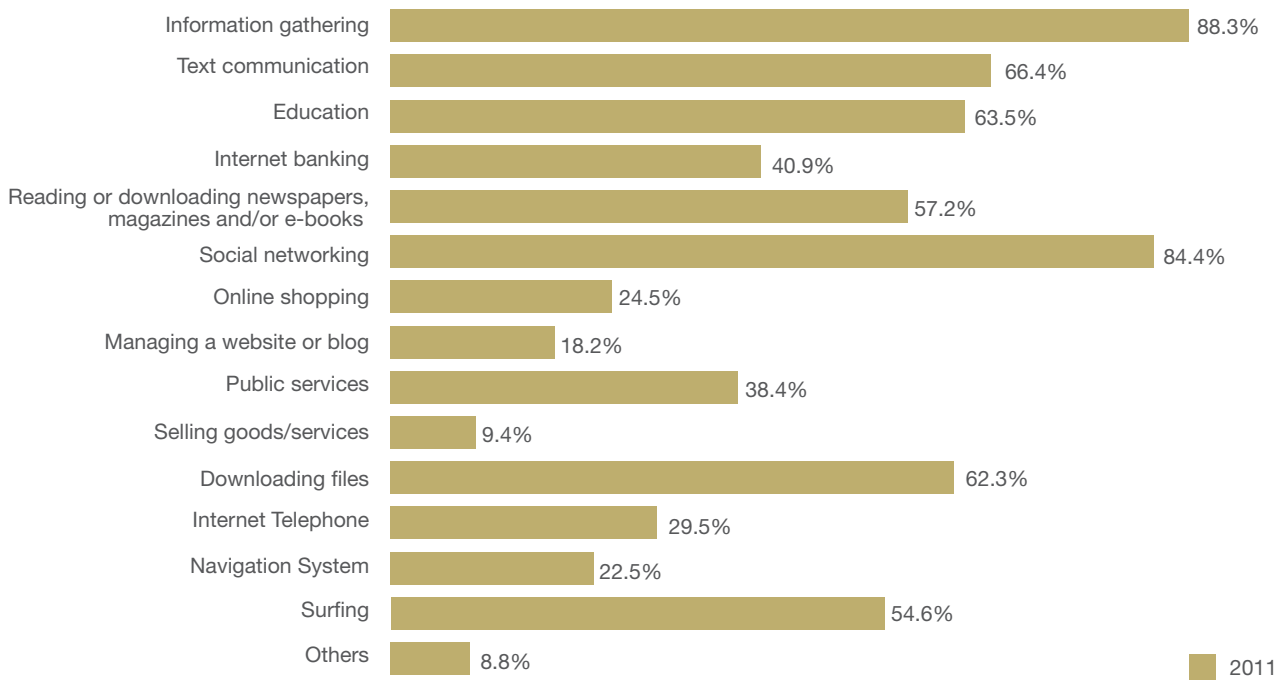
11. Household Use of the Internet by Hours of Use Per Day



Notes:

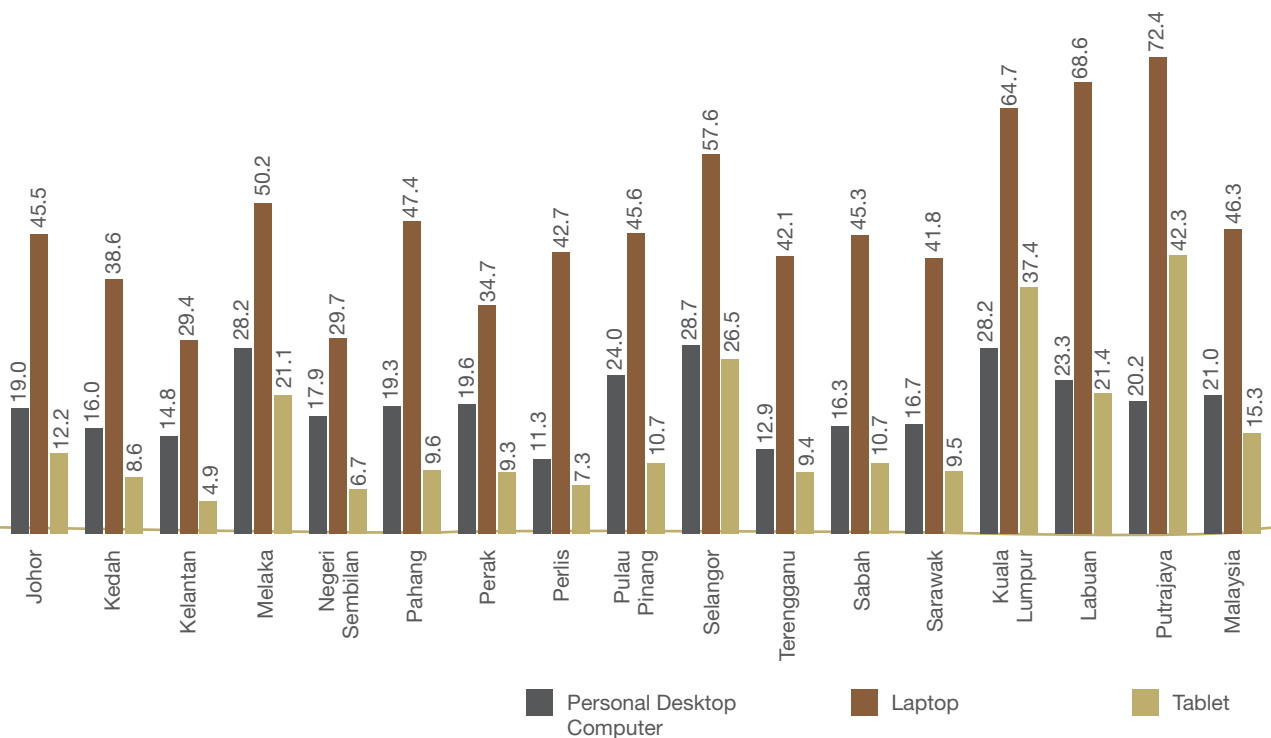
Please refer to notes for Table 10.

12. Household Use of the Internet by Main Uses

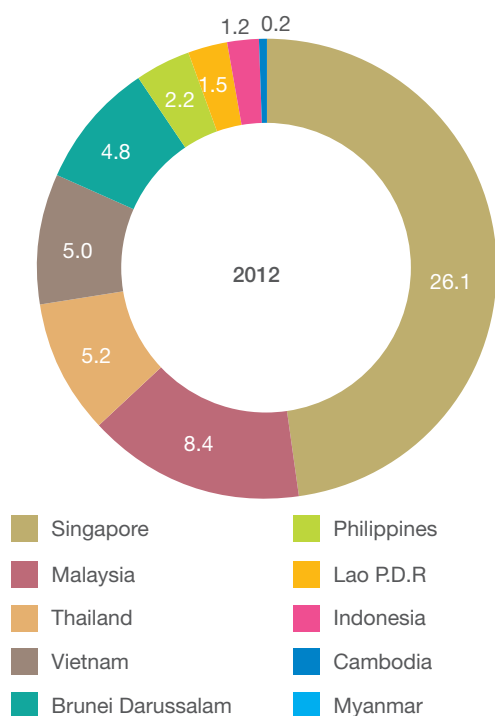


Notes:
Please refer to notes for Table 10.

13. Percentage of Households with Computer Facilities in 2012 by State

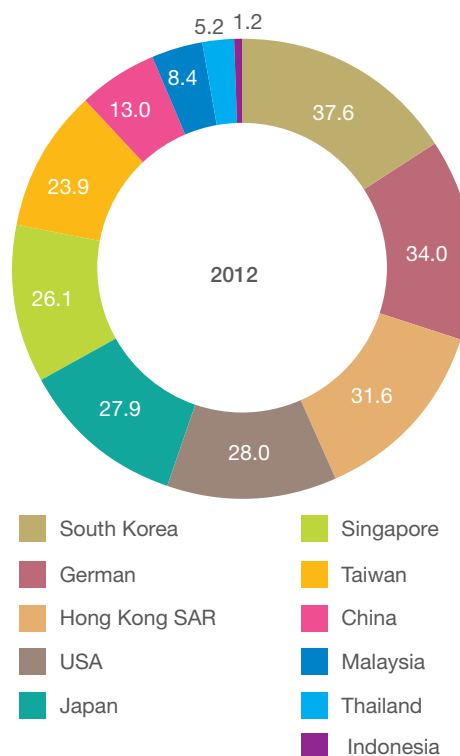


14. Fixed (Wired) Broadband Per 100 Residents in ASEAN Countries for 2012



Source: MCMC, International Telecommunications Union

15. Fixed (Wired) Broadband Per 100 Residents for 10 Trading Partners in 2012



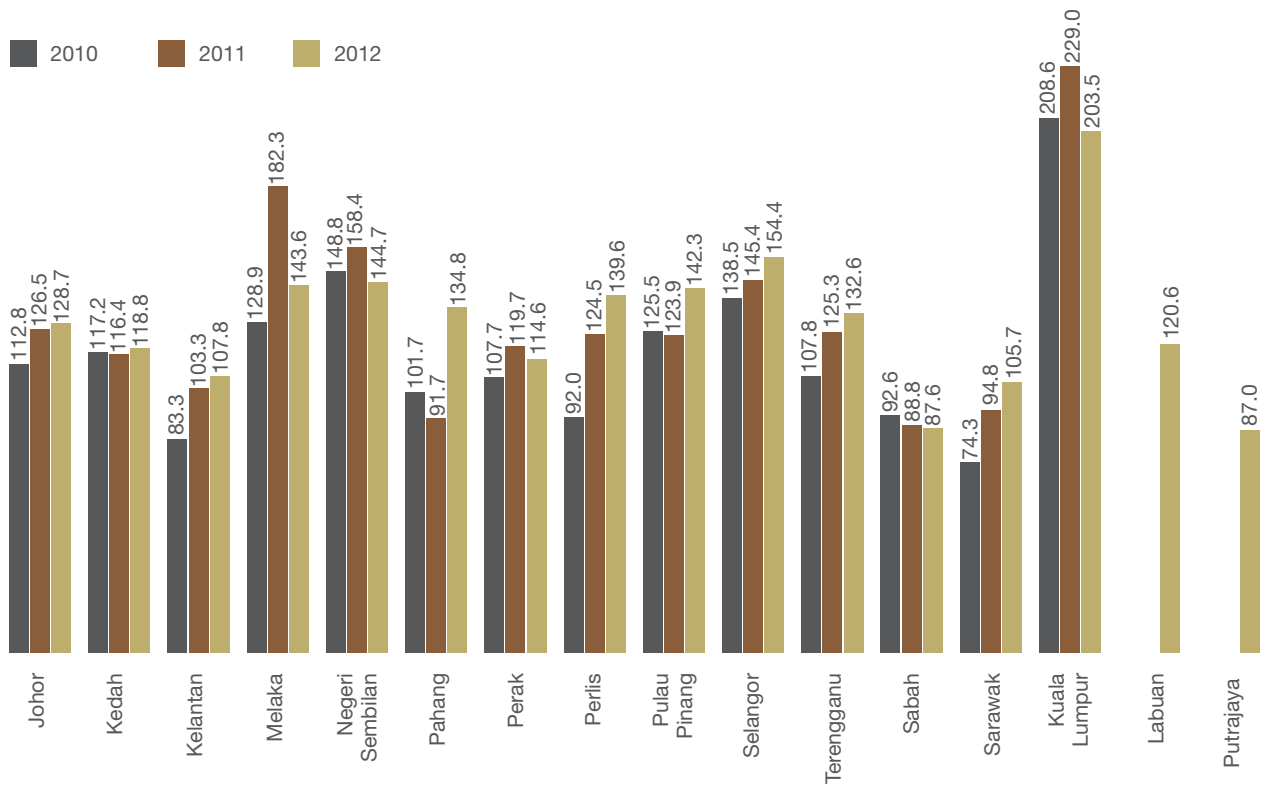
Source: MCMC, International Telecommunications Union

16. Number of Cellular Phone Subscriptions and Penetration Rates

YEAR	POST-PAID ('000)	PREPAID ('000)	TOTAL ('000)	PENETRATION RATE PER 100 RESIDENTS
2011	7,067	29,595	36,661	127.7
2012	7,375	33,950	41,325	142.5

Notes: Cellular telephone penetration rate is calculated as total subscriptions divided by the total population and multiplied by 100. Penetration rates exceeding 100% can be attributed to customers with more than one subscription.

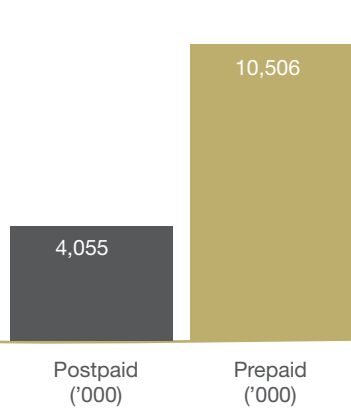
17. Cellular Phone Penetration Rates Per 100 Population by State



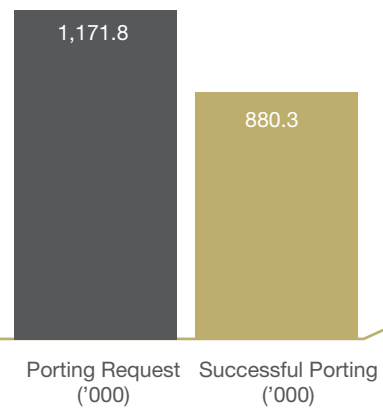
Notes:

For years 2010 and 2011, data for WP Labuan was collated under Sabah, whereas WP Putrajaya was collated under Selangor.

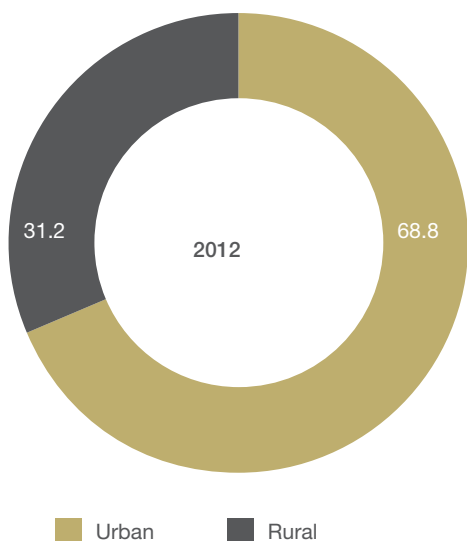
18. 3G Subscriptions for the year 2012



19. Mobile Number Portability for the year 2012

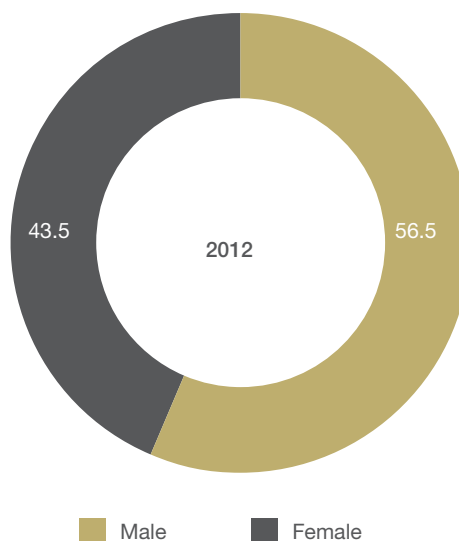


20. Distribution of Cellular Phone Users by Urban and Rural Areas



Notes:
 Results in Table 20 are from the annual Mobile Phone Users Study conducted by MCMC.

21. Percentage of Cellular Phone Users by Gender



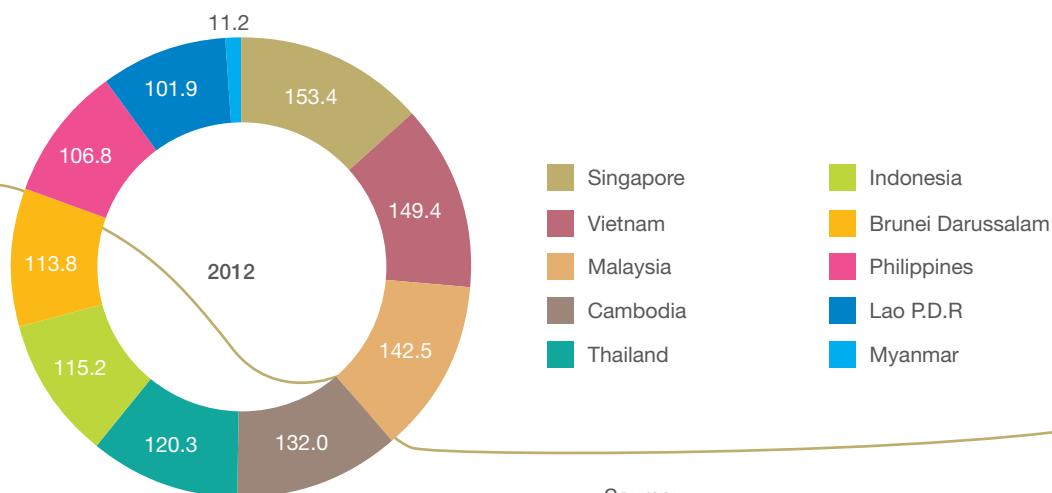
Notes:
 Results in Table 21 are from the annual Mobile Phone Users Study conducted by MCMC.

22. Short Message Service (SMS)

Year	TOTAL (MILLION)	SUBSCRIPTIONS
Notes	1	
2012	90,983.6	2,202

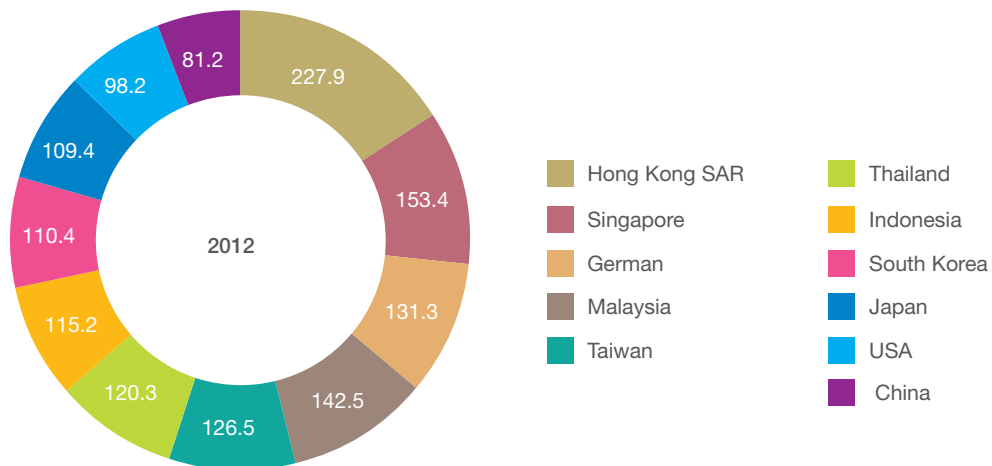
Notes:
 1. This figure shows the number of SMS sent in the reference time frame.

23. Cellular Phones Per 100 Population in ASEAN Countries



Source:
 MCMC, International Telecommunications Union

24. Cellular Telephone Per 100 Population for 10 Trading Partners



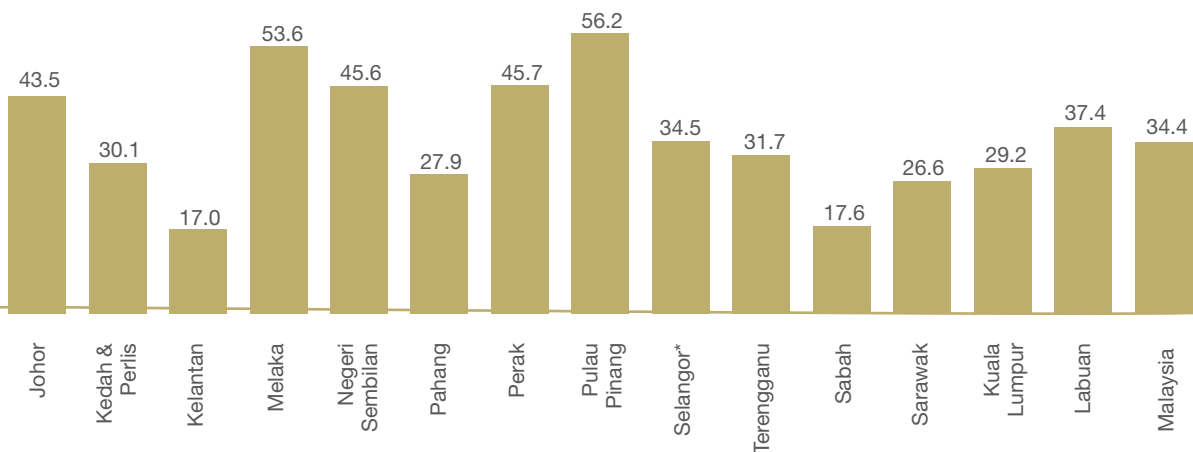
Source:
MCMC, International Telecommunications Union

25. Number of Direct Exchange Line (DEL) Connections and Penetration Rates

YEAR	HOUSEHOLD		NO. OF SUBSCRIPTIONS FOR BUSINESSES ('000)	TOTAL SUBSCRIPTIONS ('000)
	NO. OF SUBSCRIPTIONS ('000)	PENETRATION RATE (PER 100 HOUSEHOLD)		
Notes				1
2012	2,320	34.4	1,544	3,864

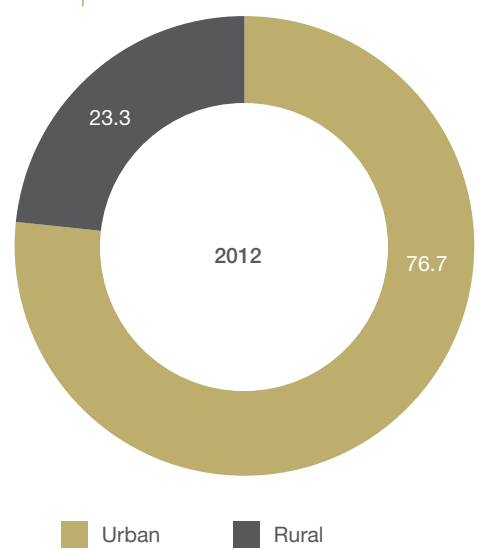
Notes:
Direct Exchange Line (DEL) connections refers to fixed line connections that connects a customer's equipment to the exchange.

26. Penetration Rate of Direct Exchange Line (DEL) Per 100 Households by State



Notes:
* Including WP Putrajaya

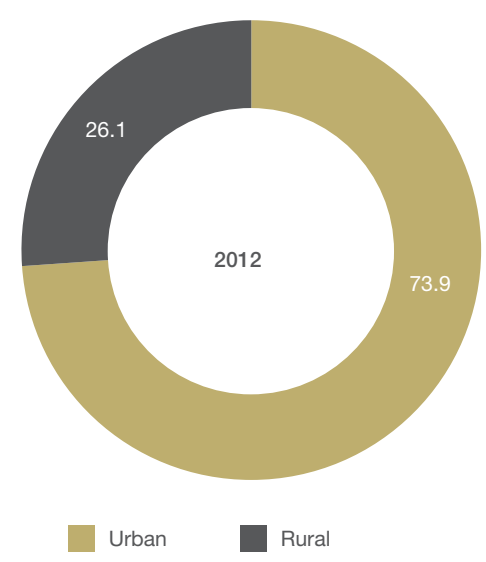
27. Percentage of Direct Exchange Line (DEL) Subscriptions in Urban and Rural Areas



28. Percentage of Direct Exchange Line (DEL) Capacity Used

YEAR	CAPACITY USED (%)	WAITLIST ('000)
2012	58.0	...

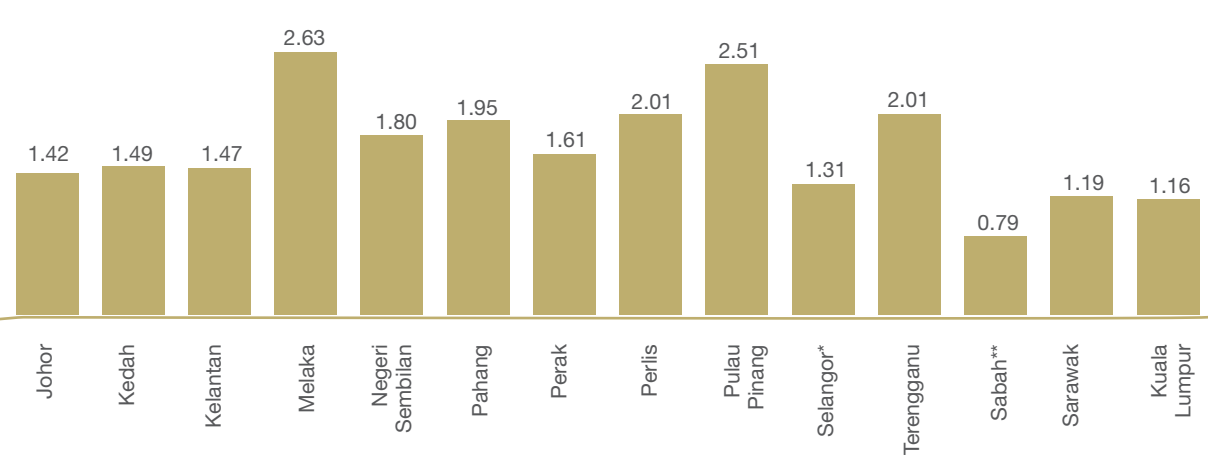
30. Percentage of Public Payphones in Urban and Rural Areas



29. Number of Public Payphones

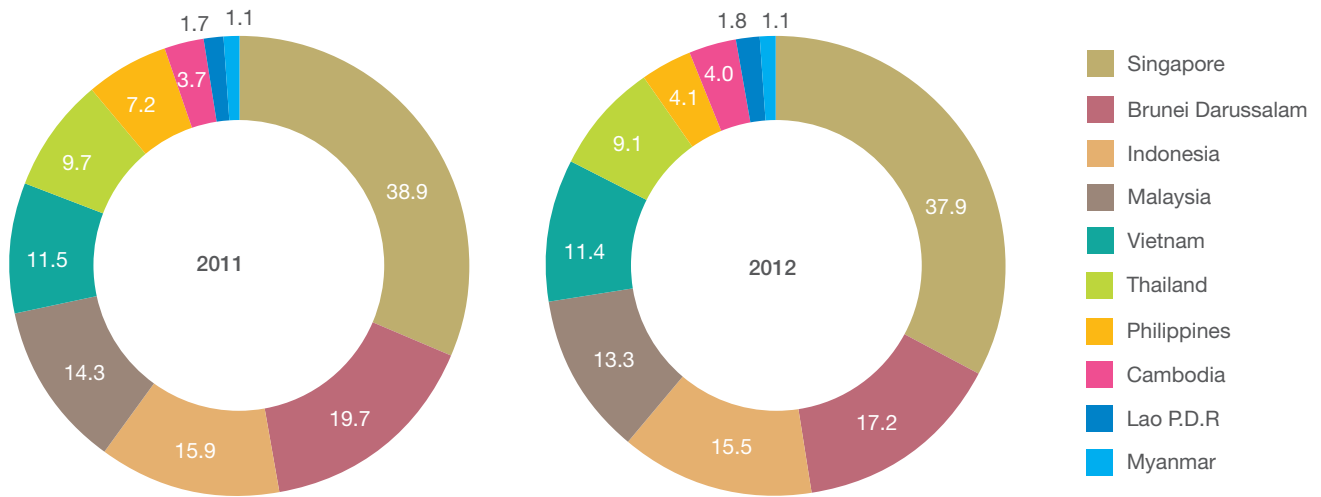
YEAR	TOTAL ('000)	PER 1,000 RESIDENTS
2012	42	1.45

31. Number of Public Payphones Per 1,000 Population by State

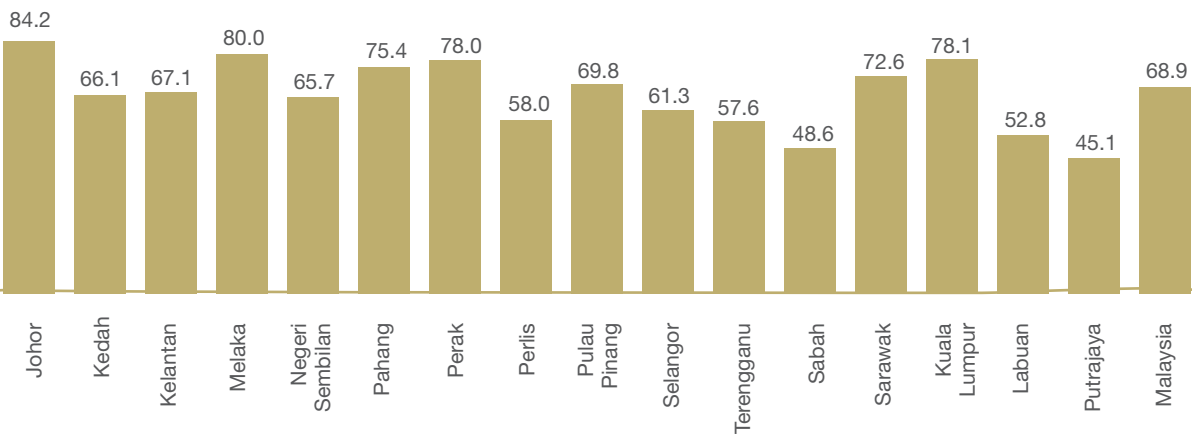


Notes:
 * Including WP Putrajaya
 ** Including WP Labuan

32. Number of Main Phone Lines Per 100 Population in ASEAN Countries



33. Percentage of Households with Radio/Hi-Fi Equipment by State



Source:
Department of Statistics Malaysia

34. Broadcast Minutes for Free-to-Air TV

YEAR	TV STATIONS							TOTAL
	RTM 1	RTM 2	TV3	NTV7	8TV	CHANNEL 9	TV ALHIJRAH	
2012	476,930	530,540	524,462	422,079	417,877	423,432	527,040	3,322,360

35. Number of Pay-TV Subscriptions

YEAR	NO. OF SUBSCRIPTION ('000)			PENETRATION RATE PER 100 HOUSEHOLDS
	HOUSEHOLDS	NON-HOUSEHOLDS	TOTAL	
2012	3,399	16	3,415	49.2

36. Number of IPTV Subscriptions

YEAR	NO. OF SUBSCRIPTION ('000)		
	HOUSEHOLDS	NON-HOUSEHOLDS	TOTAL
2012	436.9	82.8	519.7

37. Number of Certifying Authorities

YEAR	QUARTER	NO. OF LICENCES
2012		2

Notes:

Refers to Certifying Authorities licensed under the Digital Signature Act 1997.

38. Malaysia's Ranking in ICT-related Indices

YEAR	CONNECTIVITY SCORECARD	NETWORKED READINESS INDEX (NRI)	DIGITAL ECONOMY RANGKING (BEFORE 2010 E-READINESS INDEX)
2011	1
2012	...	29	...

YEAR	E-GOVERNMENT READINESS INDEX	WORLD COMPETITIVENESS YEARBOOK	ICT DEVELOPMENT INDEX
2012	40	14	59

Notes:

1 Network Readiness Index 2009 - 2010

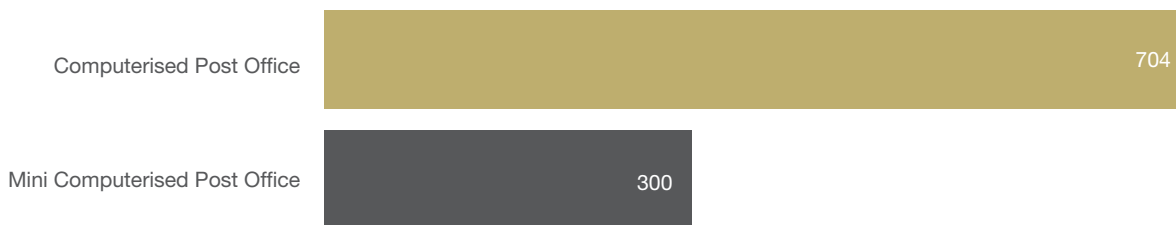
2 Network Readiness Index 2010 - 2011

39. Number of Certificates Issued by Type

YEAR	DOMESTIC USER			INTERNATIONAL USER	TOTAL
	INDIVIDUAL	ORGANISATION		ORGANISATION CORPORATE	
		CORPORATE	GOVERNMENT		
2012	8,280	173,117	4,982,542	952	5,164,891

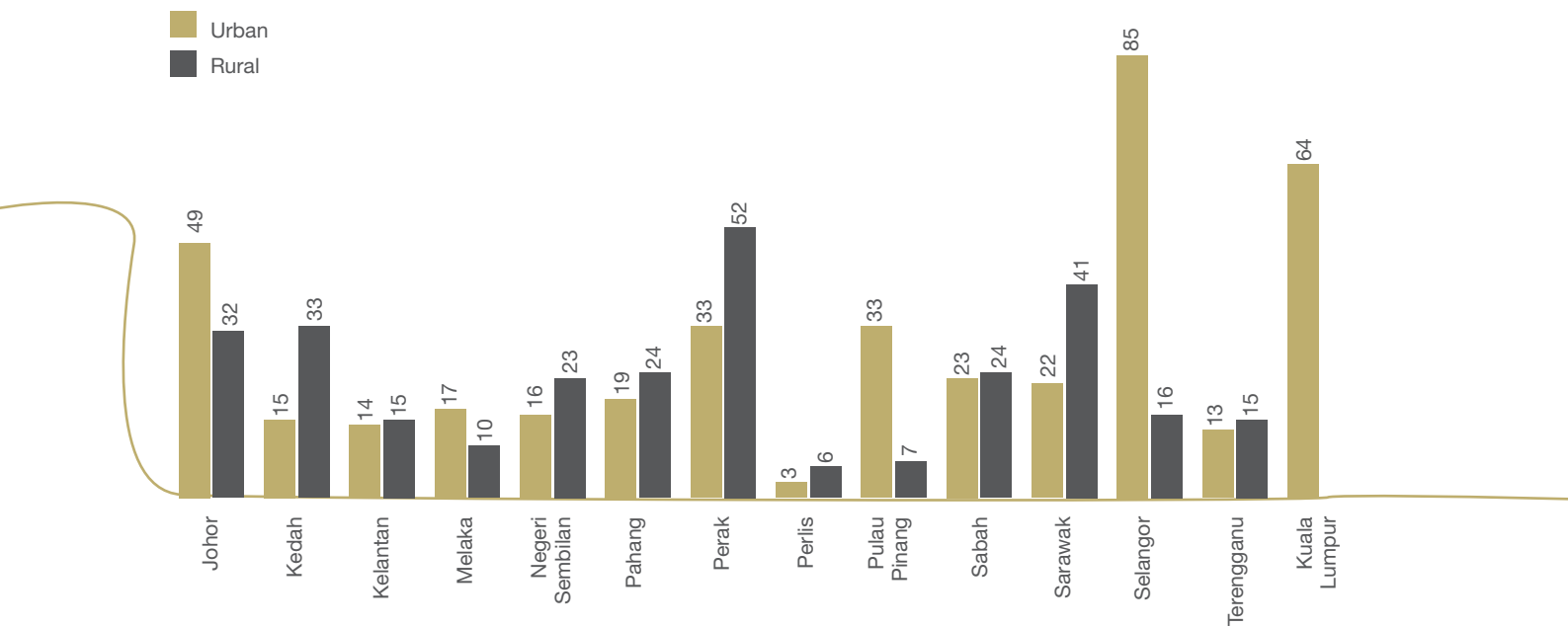
40. Postal Establishments (Various Functions/Services)

a. Postal Establishments



40. Postal Establishments (Various Functions/Services)

b. Number of Postal Establishments by State



40. Postal Establishments (Various Functions/Services)

c. Postal Establishments



40. Postal Establishments (Various Functions/Services)

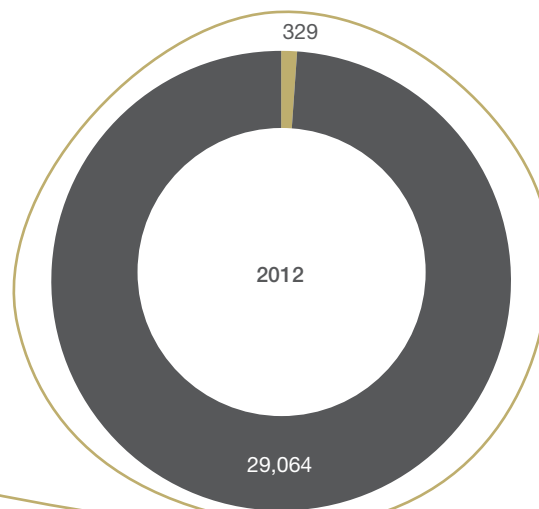
d. Postal Establishments



41. Postal Staff

YEAR	NO. OF FULL-TIME EMPLOYEES
2012	16,153

42. Postal Office Coverage and Services



- Average Area Covered by a Permanent Post Office (km²)
- Average Number of Residents served by a Permanent Post Office

43. Post Boxes and Postal Vehicles

YEAR	NO. OF BOXES		NO. OF VEHICLES	
	MAIL BOXES	POST OFFICE BOXES	TRUCKS AND CARS	MOTORCYCLES
2012	3,550	97,701	1,761	6,308

44. Postal Machines (Various Functions/Services)

a. Postal Machine

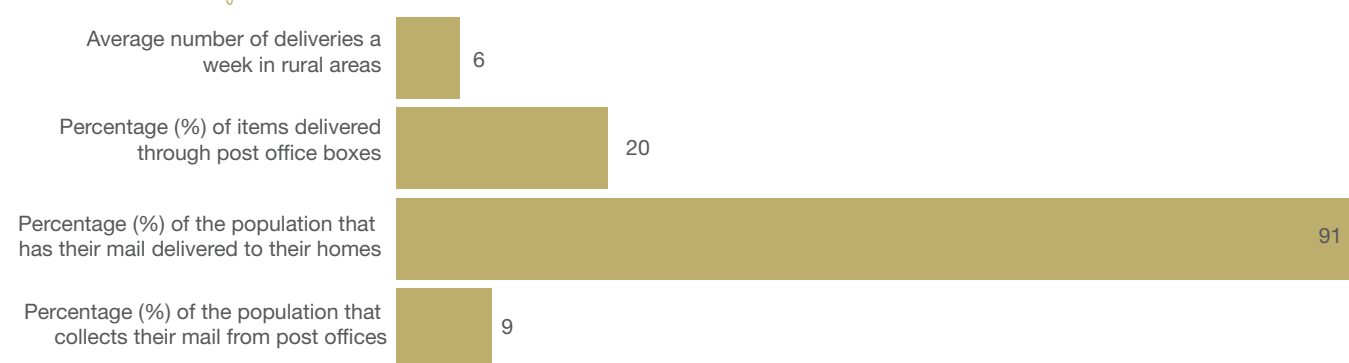
YEAR	NUMBER		
	AUTOMATED POSTAL MACHINES	FRANKING MACHINES	SORTING MACHINES
2012	24	8,182	0

44. Postal Machines (Various Functions/Services)

b. Postal Machine

YEAR	NUMBER		
	CANCELLATION MACHINES	SORTING AND CANCELLATION MACHINE	SORTING MACHINE WITH AUTOMATIC ADDRESS READERS
2012	122	4	7

45. Mail Delivery



46. Postal Traffic

YEAR	NO. OF DOMESTIC MAIL SERVICES	NO. OF INTERNATIONAL MAIL SERVICES - DESPATCHED	NO. OF INTERNATIONAL MAIL SERVICES - RECEIVED
2012	1,006,911,921	15,038,224	22,979,071

47. Postal Traffic – Special Treatment

YEAR	NO. OF ITEMS POSTED FREE, DOMESTIC SERVICE (‘000)	NO. OF REGISTERED ITEMS, DOMESTIC SERVICE (‘000)	NO. OF REGISTERED ITEMS, INTERNATIONAL SERVICE – DESPATCHED (‘000)	NO. OF REGISTERED ITEMS, INTERNATIONAL SERVICE – RECEIVED (‘000)
2012	2,201	23,513	874	745

48. Postal Parcel Service

YEAR	NORMAL PARCELS, DOMESTIC SERVICE	NORMAL PARCELS, INTERNATIONAL SERVICE – DESPATCHED	NORMAL PARCELS, INTERNATIONAL SERVICE – RECEIVED
2012	777,550	254,670	211,048

YEAR	INSURED PARCELS, DOMESTIC SERVICE	INSURED PARCELS, INTERNATIONAL SERVICE – DESPATCHED
2012	162	375

49. Financial Services (Various Functions/Services)

a. Financial Services (No. of Money Orders, Domestic Service)

YEAR	NO. OF MONEY ORDERS, DOMESTIC SERVICE	TOTAL VALUE OF MONEY ORDERS ISSUED, DOMESTIC SERVICE (RM)
2012	550,433	271,452,083

49. Financial Services (Various Functions/Services)

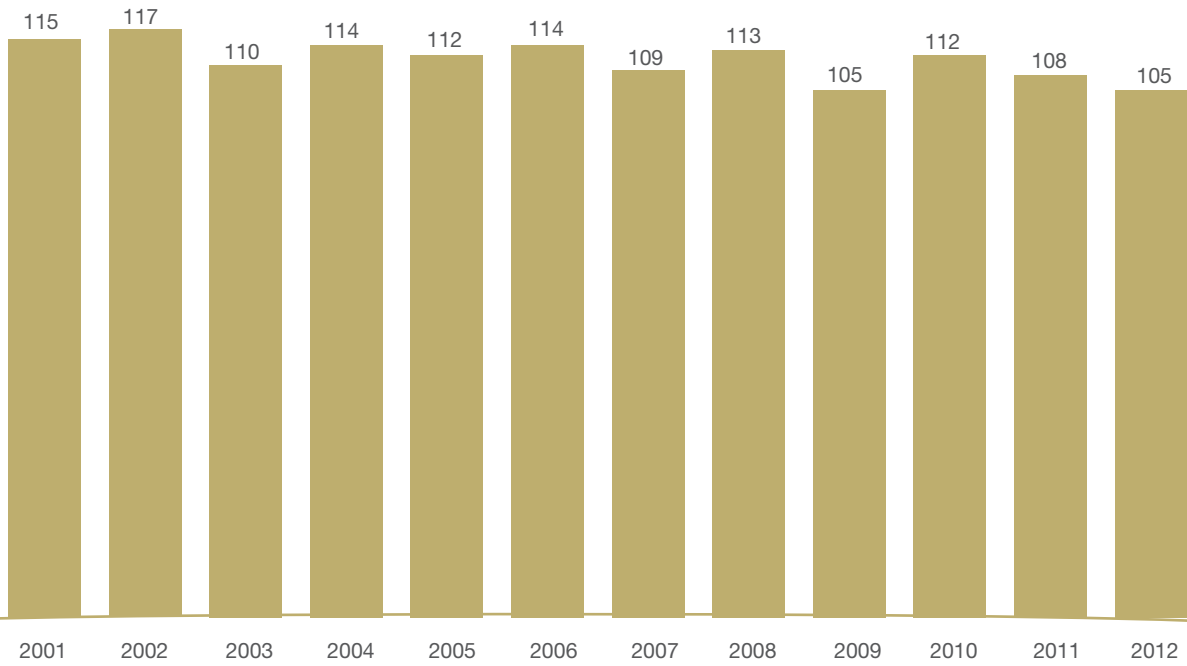
b. Financial Services (No. of Money Orders, International Service)

YEAR	NO. OF MONEY ORDERS, INTERNATIONAL SERVICE		TOTAL VALUE OF MONEY ORDERS, DOMESTIC SERVICE (RM)	
	DESPATCHED	RECEIVED	DESPATCHED	RECEIVED
2012	3,260	1,424	1,650,975	1,848,210

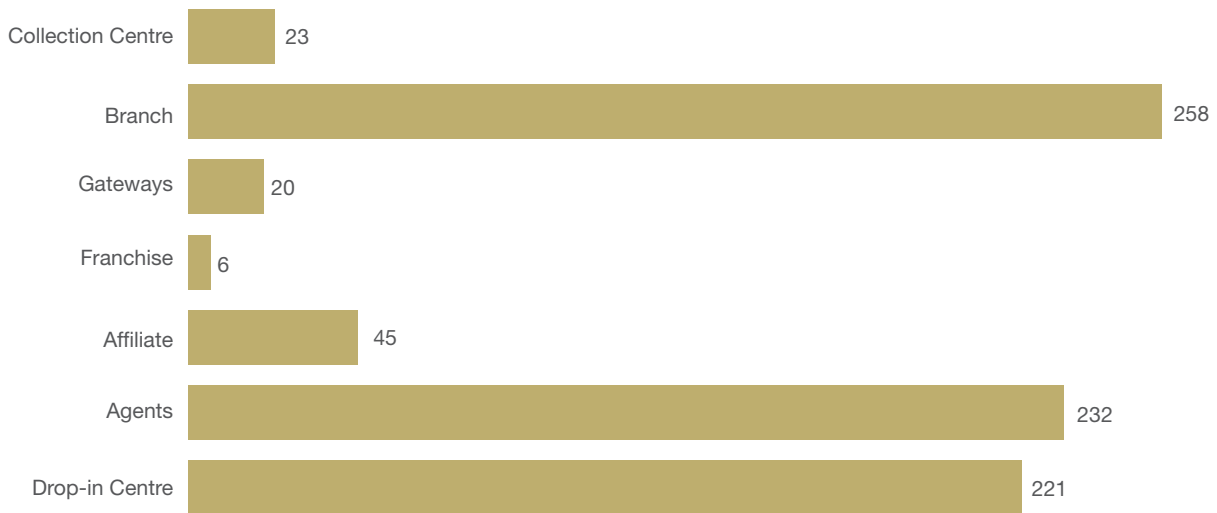
50. Philately

YEAR	STAMP ISSUES			SODA MEMBERS*	
	SPECIAL	COMMEMORATIVE	DEFINITIVE	NEW MEMBERS	TOTAL NO. OF MEMBERS
2010	15				
2012	12	5	0	4,159	64,679

51. No. of Courier Licenses



52. Courier Offices



Client's Charter

Our commitment to our clients are as below:

General Consumers

- Recording/logging of all complaints received
- Acknowledgement to complainant within 3 working days
- Forward complaint received to relevant service provider or respective department in MCMC within 5 working days
- Follow-up on status of complaint from service provider after 15 days
- Apparatus Assignments (AA) (60 days to process the AA application subject to the Licence Committee meeting, border coordination by FACSMAB, JTC and Trilateral (Malaysia, Singapore and Indonesia) meetings and approvals.)

Licence Applicants

- For individual licence applications, NFP, NSP and CASP, MCMC shall within 45 days from the receipt of a complete application together with all other required information, conclude the processing of the same and provide its written recommendation to the Minister to enable the Minister to decide on the grant of licence or otherwise.
- For class licence registrations, NFP and NSP, MCMC shall within 30 days from the receipt of a complete submission together with all other required information, conclude the processing of the same and inform the applicant of the registration of class licence or otherwise.
- For class licence registration, ASP, the Commission shall within 15 days from the receipt of a complete submission together with all other required information, conclude the processing of the same and inform the applicant of the registration of class licence or otherwise.

Licensees

- Promote fair competition and market development through transparent regulatory processes as outlined in the CMA.
- Provide resolutions to disputes when necessary.
- Promote effective regulation by monitoring all significant matters relating to the performance of its licensees and reporting to the Minister at the end of each financial year.
- Review the CMA every three years or as and when directed by the Minister. This is to ensure that the Act remains relevant and that the objectives of the Act continue to be met.
- Promote self regulation by designating the Consumer Forum, the Content Forum, the Technical Forum and the Access Forum to prepare voluntary industry codes that are consistent with the objectives of the CMA, any instrument under the CMA, and any provisions under the CMA which are relevant to the particular matter or activity.

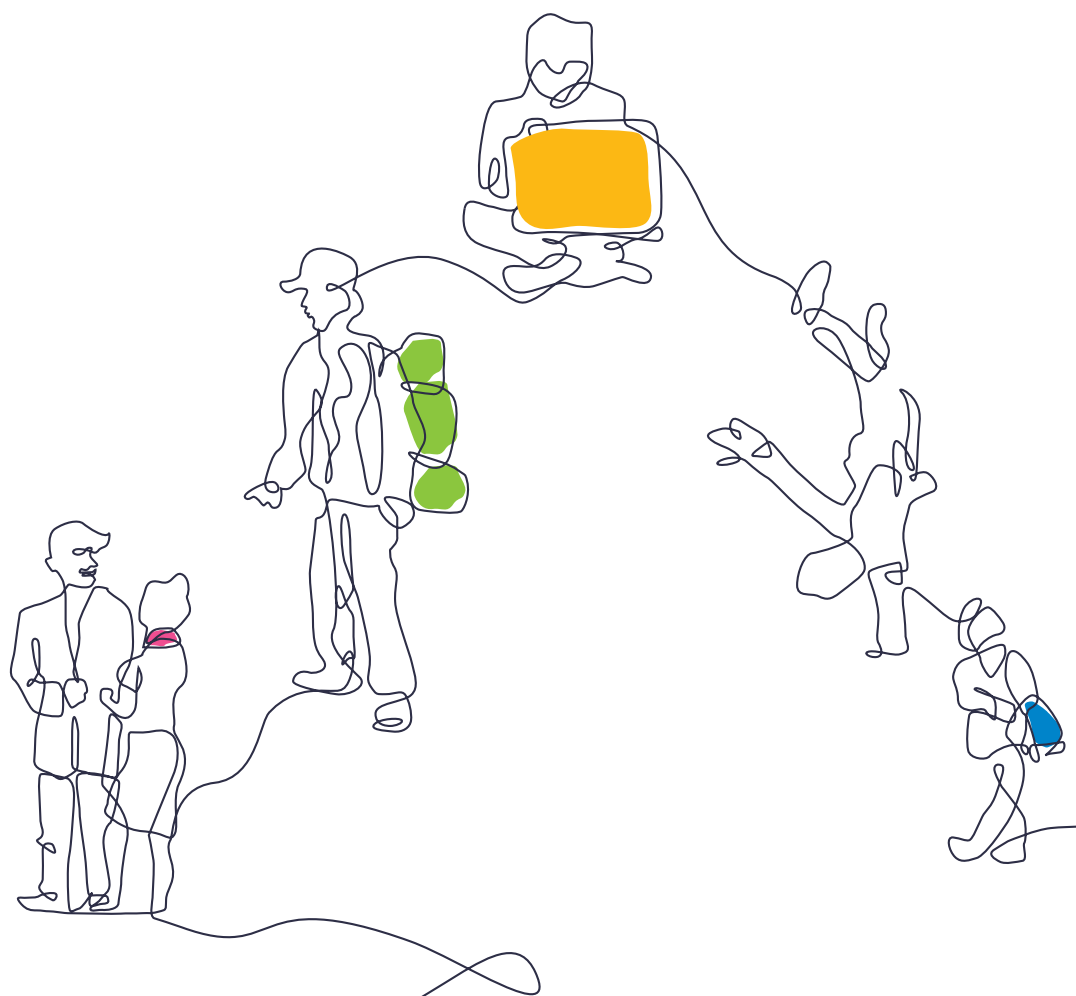
Legal requirement

According to Section 47 of the Malaysian Communications and Multimedia Commission Act 1998, the Malaysian Communications and Multimedia Commission hereby publishes a report on the activities of the Commission and submit it to the Minister of Information, Communications and Culture with a copy of the Financial Statements of the Commission's audited Fund for the year ended 31 December 2012 to be presented before both the House of Parliament and the National Assembly.

**SURUHANJAYA
KOMUNIKASI DAN
MULTIMEDIA MALAYSIA
MALYSIAN
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AND MULTIMEDIA
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