



Regulator Directs Cable & Wireless Guernsey on Separated Accounts

The Regulator today (5th August 2003) issued a formal direction to Cable and Wireless Guernsey Ltd under the Telecommunications Law requiring the company to produce separated accounts for its business within a specified timetable. The 2001 accounts are to be provided to the OUR by 22 August 2003, and the 2002/3 accounts are to be provided and published by 31 October 2003

“The OUR has been seeking separated accounting information from C&WG for some considerable time now”, said Regina Finn, Director General of OUR, “This Direction formalises the finding that the company has breached its licence and sets out very clearly the steps that C&WG will need to take to remedy that breach”.

The production of separated accounts is a well understood tool used in regulatory regimes to address regulators’ concerns about possible abuses of dominant positions and market power. The accounts should be available as close as possible to the company’s year end so that the information in them is recent and relevant. The OUR is still awaiting the 2001 accounts which relate to the year ending 31 December 2001. The 2002/03 accounts will relate to the financial period ending 31 March 2003 and they must be available by 31 October this year.

“We at OUR recognise the effort that individual C&WG staff have put into trying to meet this licence requirement, but the persistent failure on the part of the company to meet its obligations is simply not acceptable”, said Regina Finn. “The absence of this information

increases the effort and cost of regulatory decisions because currently, individual information requests must be prepared, compiled, reconciled and justified in each separate case. The preparation of separated accounts, audited and justified, will provide a consistent basis for such decisions in the future, something that will be of benefit to the market and to C&WG.”

The OUR is also directing the publication of the 2002/03 and subsequent years’ accounts to promote transparency in the market. The OUR will shortly carry out a consultation on the level of detail that should be included in the published accounts before specifying the precise publication requirements and will consider comments and representations made in response to that consultation.

Document OUR 03/20; “Cable and Wireless Guernsey Separated Accounts; Notice of Direction to Cable and Wireless Guernsey Ltd under Section 27 of the Telecommunications (Bailiwick of Guernsey) Law, 2001” is available from the OUR website at www.regutil.gg or by calling the office on 711120.

**ENDS/
5th August 2003**

For further information call the Office of Utility Regulation on 711120

Notes to Editors

Separated, or Regulatory, Accounts are prepared in order to provide financial information about regulated businesses for use by the regulator, the industry, consumers and other stakeholders. They provide information that is more focused than that contained in statutory accounts as they relate to the regulated businesses or activities, whereas statutory accounts relate to the regulated company as a whole and are more focused on the requirements of investors only.

Document **OUR 02/12** “Accounting Separation - Regulatory Accounting Guidelines to Guernsey Telecoms”, is available from the OUR website. This document sets out the rationale for separated accounts and the principles, format, timetable and procedures that C&W Guernsey should follow in preparing their separated accounts. The document is available on the OUR website at www.regutil.gg

Document **OUR 03/18** “Cable and Wireless Guernsey Separated Accounts; Notice of Proposal to issue a Direction to Cable and Wireless Guernsey Ltd under Section 27 of the Telecommunications (Bailiwick of Guernsey) Law, 2001” is available from the OUR website at www.regutil.gg