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ANNUAL REPORT 2020-2021

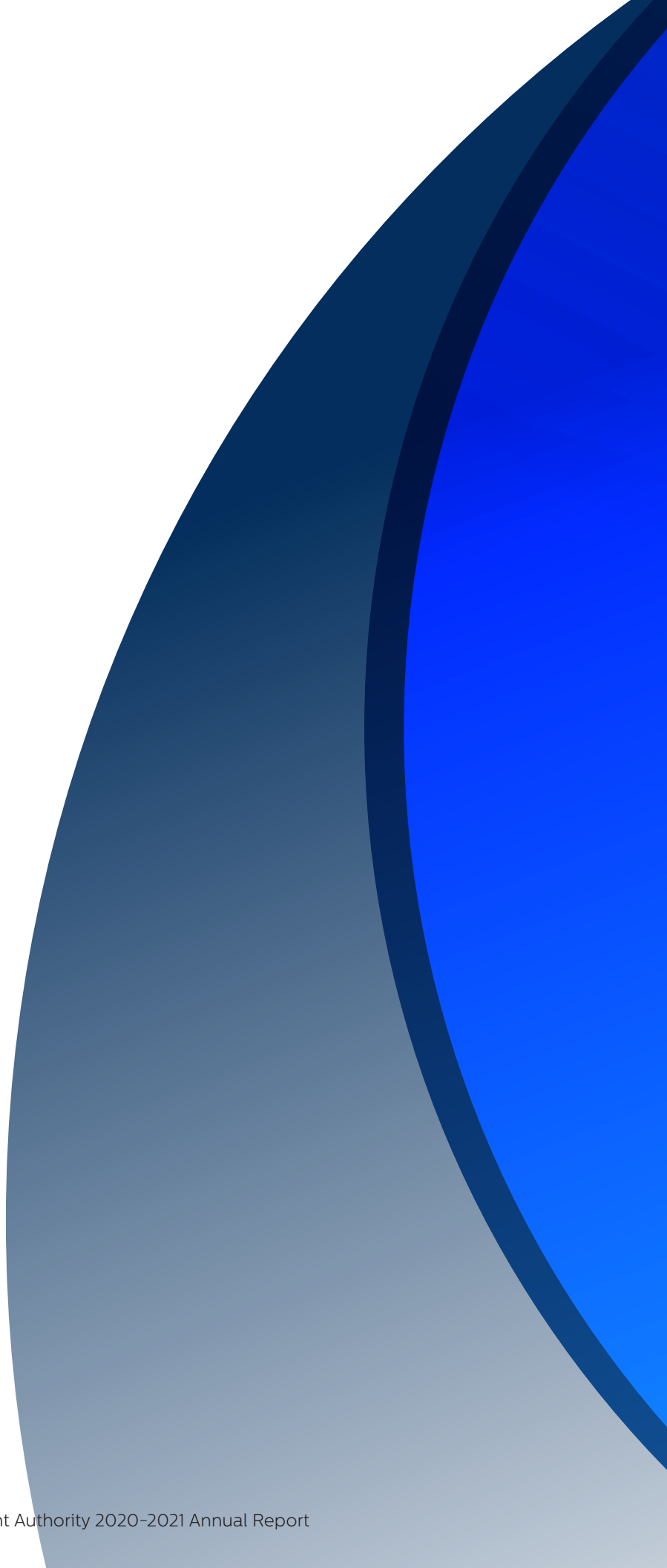


MISSION STATEMENT

To ensure the efficient management of Jamaica's radio frequency spectrum in keeping with international best practices and in the interest of social, economic and technological development.

VISION STATEMENT

To create the environment for the radio frequency spectrum to become the preferred medium of communication.



ACRONYMS

5G	Fifth Generation
AOA	Angle of Arrival
AP	Assembly of Parties
BoD	Board of Directors
CITEL	Inter-American Telecommunications Commission
CTU	Caribbean Telecommunications Union
FY	Fiscal year/ Financial year
GMDSS	Global Maritime Distress and Safety System (Certificate of Competence in Radio Telephony)
GOJ	Government of Jamaica
IAC	ITSO Advisory Committee
IoT	Internet of Things
ITSO	International Telecommunications Satellite Organization
ITU	International Telecommunications Union
JARA	Jamaica Amateur Radio Association
KPI	Key Performance Indicator
LTE	Long Term Evolution
MOF&PS	Ministry of Finance and the Public Service
MSET	Ministry of Science, Energy and Technology
RF	Radio Frequency
RMDFS	Radio Monitoring and Direction Finding System
SMA	Spectrum Management Authority
TDOA	Time Difference of Arrival
The Authority	Spectrum Management Authority
UN	United Nations
USTTI	United States Telecommunications Training Institute
VSAT	Very Small Aperture Terminals
WRC	World Radiocommunication Conference
WTO	World Trade Organization

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CORPORATE INFORMATION

Registered Office	Auditors
Spectrum Management Authority 13 - 19 Harbour Street Kingston	KPMG 6 Duke Street Kingston
Bankers	Company Secretary
First Global Bank Ltd. 28 Barbados Avenue Kingston 5	Mrs. Pamela Goulbourne Spectrum Management Authority 13 -19 Harbour Street Kingston
National Commercial Bank Ja. Limited 1-7 Knutsford Boulevard Kingston 5	

CORPORATE PROFILE

The Spectrum Management Authority (“SMA” or “the Authority”) is mandated by virtue of the Telecommunications Act, 2000 as the regulatory body charged with the management of the Radio Frequency Spectrum in Jamaica, on behalf of the Government and people of Jamaica.

Consistent with its Mission Statement detailed herein, SMA’s management of the spectrum entails the following:



Managing access to the radio frequency spectrum through band planning, frequency assignment and licensing;



Monitoring compliance with licensing agreements to protect all authorized spectrum users;



Identifying, investigating and facilitating the resolution of cases of interference;



Identifying and eliminating unauthorized and illegal use of the spectrum;



Fulfilling Jamaica’s international obligations with respect to spectrum management;



Fulfilling its statutory obligation as the advisory body to the Minister with portfolio responsibility for telecommunications, currently the Minister of Science, Energy and Technology, on spectrum policy and related legal and regulatory matters.



The Spectrum Management Authority, in accordance with the Companies Act of Jamaica, was incorporated as a limited liability company on 2000 February 1 and became operational in 2001 April. Since 2009 December 21, the registered office of the company is 13 - 19 Harbour Street, Kingston, Jamaica.

The statutory obligations and the operational principles of the Authority are in accordance with and fulfil Jamaica's international commitments to the World Trade Organization's (WTO) telecommunication agreement, and the policy objectives enunciated by the Government of Jamaica (GOJ) with respect to the liberalization of the telecommunications sector.

The Authority is financed through a cost-recovery mechanism, whereby licensed spectrum users are required to pay spectrum regulatory fees. The fee mechanism was originally established in 2003 and amended in 2017 pursuant

to the Telecommunications (Spectrum Regulatory Fees) (Amendment) Regulations, 2017, Jamaica Gazette Supplement No.16. The SMA also collects spectrum licence fees that are remitted to the GOJ's Consolidated Fund by way of Tax Administration Jamaica since April 2017, following a reclassification of Spectrum Licence fees as tax revenue.

As aforesated in carrying out its mandate, the Authority operates within the legislative framework as established by the Telecommunications Act, 2000 and the Radio and Telegraph Control Act, 1973. Internationally, SMA is also guided by the rules and regulations of the International Telecommunications Union (ITU). ITU is the leading United Nations agency for information and communication technologies. As the global focal point for governments and the private sector, ITU's role in helping the world to communicate spans three (3) core sectors: radiocommunication, standardization, and development.



There are various categories of radio systems that are licensed by the Authority, namely:

Terrestrial (land-based) radio systems – including fixed services (such as networks providing data transfer services) and mobile services (such as cellular services as well as 2-way radios);

Satellite systems – for large earth stations and VSATs (very small aperture terminals);

Maritime radio systems – this facilitates radio communication for ships, yachts, and boats; and,

Aeronautical radio systems – which facilitates communication by airplanes and air-traffic controllers.

The Authority also acts in a certifying capacity in respect of the following licences:

Certificate of Competence in Radio Telephony/Global Maritime Distress and Safety System (GMDSS) – This certification authorizes the holder to carry out the radiotelephone service of any Ship Station;

Amateur Radio License (Ham Radio) – This is a license that allows the use of radio frequency spectrum for purposes of non-commercial exchange of messages by the users;

Radio Technician Licence – There are 2 classes for this category of licence: “Class A” and “Class B” Licences. A licence issued under “Class A” category authorizes the Licensee to install and maintain radio transmitting apparatus; and, the “Class B” category authorizes the Licensee to install and maintain radio transmitting apparatus with a radio frequency power not exceeding 1,000 watts; and

Type Approval Certificate – This certification is issued to manufacturers of radio communication equipment after the Authority ensures that it conforms to appropriate standards and principles of product safety and will not interfere with other equipment or networks.

The SMA represents Jamaica in several telecommunications-related international fora, and participates at the committee level on selected bodies as indicated:

International Telecommunications Satellite Organization (ITSO) – the Authority has been a member since 2001 representing the Caribbean region;

Caribbean Telecommunications Union (CTU);

Inter-American Telecommunications Commission (CITEL);

International Telecommunications Union (ITU).

GOVERNANCE

Through the Chairman, a Board of Directors that report to the Minister with Portfolio responsibility for telecommunications, direct, guide and oversee the conduct of the Authority's business. The Managing Director who has responsibility for the day-to-day operations of the Authority, reports to the Board of Directors.

OWNERSHIP STRUCTURE

The SMA is wholly owned by the Government of Jamaica, with the Accountant General's Department as the sole Shareholder.

Fig. 1: Mrs. Hillet Martin McFarlane from the Accountant General's Department (AGD), along with Dr. Maria Myers-Hamilton, Mrs. Pamela Goulbourne and Mr. Kevaghn Irving from the Spectrum Management Authority.





Message From

Honourable Daryl Vaz, MP

Minister of Science, Energy and Technology



As Jamaica adjusts to the post-pandemic era, the Ministry of Science, Energy and Technology (MSET) is cognizant of the need for innovations in Information and Communication Technologies (ICTs), increased organizational efficiencies and fiscal prudence.

A review of the 2020/2021 Annual Report of the Spectrum Management Authority (SMA) will reveal significant steps toward technological advancement, supportive legislative adjustments and carefully

crafted performance strategies, which demonstrate the Authority's visionary leadership, resilience and adaptability. Beginning with a review of allocated spectrum, the SMA has tackled hoarding, and continues to ensure overall improvements in telecommunication services.

In keeping with Jamaica's Vision 2030 targets, the SMA's move to create a Spectrum e-Licencing System is nothing short of game-changing, as it implies limitless reach and potential for our country's spectrum services, through worldwide, "24/7 access". By the end of the next fiscal year, we will be looking forward to a platform that provides more efficient and accurate reporting, faster processing, online payments and improved access to information. Even while in the early stages of these processes, we look forward to Jamaica's ascension into the upper ranks of the global spectrum licencing industry, with a self-service, all-access licencing system, making us more marketable,

By the end of the next fiscal year, we will be looking forward to a platform that provides more efficient and accurate reporting.

competitive and profitable.

In this spirit of expansion, the SMA has also broadened its service offering with the intended inclusion of a third operator in the telecommunications market, as the Authority managed the Request for Proposal (RFP) to licence the 700 Megahertz (MHz) Band 13 process. This band will facilitate increase competition among frequency operators, ultimately resulting in increased data/internet access for those of our citizenry yet to benefit from these essential services.

Finally, in order to be fully integrated with the national microwave and fibre optic network, the SMA has redirected fifty million Jamaican Dollars (JMD \$50M)

from the Remote Monitoring Directional Finding System (RMDFS) to support the islandwide expansion of the GovNet Multiprotocol Label Switching (MPLS) infrastructure.

On behalf of the Government and people of Jamaica, I am confident in the direction the SMA has taken to improve access, compliance and regulation of this vital technological provision.



Honourable Daryl Vaz, MP

Minister of Science, Energy and Technology

MESSAGE FROM THE CHAIRMAN



For the Fiscal Year, 2020/2021 the Spectrum Management Authority (SMA) strategically shifted its operations to respond to the nation's call for greater connectivity in light of the COVID-19 pandemic. We had to be flexible and facilitatory. For the period, our main thrust was towards strengthening the support provided by the Agency for all users of the spectrum.

As we recapture the year, the SMA is pleased to have played a role in the multi-sectoral response of the government to bridge the digital divide in our society.

I would like to thank the agile and proactive management team for their impeccable restructuring efforts. This, coupled with staff dedication made the year a productive one, despite uncertainty and challenges. Under the sound guidance of the Ministry of Science, Energy and Technology we were able to execute several projects which formed part of the government's response to increased Information Communication Technology (ICT) usage.

One of our major projects for the period included the organization of Request for Proposals for the sale of the 700 MHz Band 13. The management of this project to date, stands testament to the Agency's commitment to managing the usage of the spectrum in the interest of national development highlighted by Vision 2030: making Jamaica, the place of choice to live, work, raise families and do business.

During the period under review, the SMA Board and Management Team remained loyal to its valued clients through providing technical support and guidance. As

As the SMA continues to shape the wireless future of Jamaica, we remain committed to continuous organizational improvement.

telecommunications providers grappled with the sudden and increased demand for digital services, the SMA lobbied for the Aggregate Spectrum Cap to be temporarily increased by the Minister of Science Energy and Technology, Hon. Daryl Vaz. The temporary increase in the Spectrum Cap allowed for the education system to take advantage of virtual learning via the spectrum. It also helped to strengthen the operations of the security force and health care system during a period threatened by scarce resources. The Board believes that the

management of these projects has helped to highlight the valuable role the entity.

The usage of the spectrum for the transmission of voice, data and images by citizens,

healthcare workers and the security force is crucial as the country rebuilds from the devastating impact of the pandemic. Therefore, ensuring the efficient management of Jamaica's radio frequency spectrum in keeping with international best practices and the interest of social, economic and technological development is of paramount importance to us.

Valued stakeholders, the passing year has brought forth many lessons and opportunities for growth. As the SMA continues to shape the wireless future

of Jamaica, we remain committed to continuous organizational improvement. In the passing year, we received certification under the Professional Engineers' Registration and developed a Hot Site so in the event of a system failure, our primary systems are available at a secondary site. The development of the Hot Site was in keeping with the implementation of our Disaster Recovery and Business Continuity Plan, which will allow us to serve the nation even in the event of disasters. We also strengthened awareness of our brand through the execution of a public education campaign and completed a social outreach project within our neighbouring community.

The 2020/2021 period was challenging but we have accomplished much. The progress we have made has paved the way for future success and resiliency. We are succeeding in ways that 20 years ago, we never could have imagined. Our work doesn't just enrich our own lives, but it enriches our community and our nation.

The Board of Directors, Management Team and staff look forward to serving all users of the spectrum and improving our operations. The opening of our second office in Montego Bay to build stronger client relations is one of the ways we intend to keep this promise.

As we celebrate our past successes and plan for future ones, on behalf of The Board, I would like to thank the Ministry

of Science, Energy and Technology, the Hon. Daryl Vaz; Permanent Secretary Carol Palmer, and the loyal staff members of the SMA. The results yielded from the Year in Review were not fortuitous but represent the fruition of teamwork and tenacity.

All the hurdles we overcame in the past year have helped to build a greater level of trust and confidence among our stakeholders, and will fuel new and consolidated partnerships. The SMA team stands ready to selflessly serve, as we continue to improve and manage one of the nation's prized assets.

A handwritten signature in black ink, appearing to read 'Ed Gabbidon', with a long horizontal flourish extending to the right.

Edward Gabbidon
Chairman

MESSAGE FROM THE MANAGING DIRECTOR



The period 2020/2021 was undoubtedly a transformational year for the Spectrum Management Authority (SMA). The Covid-19 pandemic led to an intensified focus and execution of our mandate: “To ensure the efficient management of Jamaica’s radio frequency spectrum in keeping with international best practices and the interest of social, economic and technological development”.

The global response to the pandemic meant more flexitime, work-from-home utilizing Virtual Private Networks (VPN), cloud-based applications, virtual meetings, and online teaching and learning. Here at home, 41 percent of Jamaica is still lacking access to broadband connectivity due to socioeconomic factors and the topography of the island. As expected, our parent Ministry, the Ministry of Science, Energy and Technology, quickly implemented practical and innovative solutions to increase broadband connectivity. We at the SMA were pleased and privileged to play a pivotal role in this progressive developmental agenda.



PROUD OF OUR PROGRESS

Bringing coverage and connectivity to the digitally under-served citizens of Jamaica is a major priority for Team SMA. Therefore, with the keen direction of the Minister of Science, Energy and Technology, Hon. Daryl Vaz, we proudly embarked on the Request for Proposals RFP. The successful sale of the 700 MHz Band 13 will not only bring

about the expansion of service and connectivity across the nation, but will strategically increase competition in the mobile telecommunication space. The outcome of this: enhanced service quality, and pricing optimization.

As we continue to improve local connectivity, the SMA sought and received permission from the Minister to temporarily allow existing telecommunication providers to go above the Aggregate Spectrum Cap to improve their service offerings. We also successfully drafted, and provided support to the Minister/MSET in presenting, and obtaining approval for the new pricing regime for Spectrum.

Within the last year, local organizations across all sectors have become a vibrant and interconnected hub of digital innovators constantly adapting to the ever-evolving public demand for increased connectivity and wireless solutions. Team SMA has pioneered and supported this movement by creating guidelines for Digital Television, point-to-point transactions, and the usage of private mobile radio/ family radio service.

The Authority also drafted a framework for FM broadcasting, for industry's deliberation and waived the cost of the online course offered for the Radio Technicians. We are firm in our stance that digital literacy is economically accessible to all. Yes, we boldly claim our title as a catalyst for enterprise, innovation and economic growth.

Our duty to monitor and protect this vital developmental resource also remained top of mind. We are pleased to note that there was a decrease in the number of reported interference cases. We can attribute this to the 10 completed audits for the year and increased site inspections and modulation audits in the field.



WE'VE GOT YOU COVERED

To improve working relations with the primary users of the spectrum, and ensure correct, interference-free usage we knew that expansion was a must. It was with this in mind that we successfully applied for Certification of SMA under the Professional Engineers' Registration Board and sought approval to establish a second office in Montego Bay. This will facilitate greater synergy with Jamaica Customs, improve our services and expand our overall capabilities.

We are firm in our stance that digital literacy is economically accessible to all.

On the note of quality management, we were also able to complete the establishment of the Hot Site so in the event of a system failure, our primary systems are replicated at a secondary location.

During the 2020/2021 fiscal year, the Agency beautified the local community by painting a mural to reflect the vibrant Jamaican culture. This, of course, had the added benefit of strengthening our brand image in the media landscape.



THE FUTURE IS AT OUR FINGERTIPS

As part of our ongoing strategy to meet the demands of the new landscape, we plan to increase competition in the Jamaican mobile market, which we anticipate will reduce prices and result in connectivity for many citizens for whom affordability is a challenge. We will continue to encourage and facilitate coverage to underserved areas by licensing the Spectrum to a provider(s) capable of offering connectivity services to these areas. Producing revenue for the Nation will also be high on our agenda. As we effectively manage the spectrum and increase islandwide connectivity, newly generated funds will be used to further develop our country.

To accomplish these highlighted objectives, we will be implementing additional monitoring sites across the North-West areas of the island – Falmouth, Negril, Montego Bay, as well as establishing a presence in Portland. The new financial year will also see the establishment of our e-Licensing solution, which will enhance customer experiences such as applications, processing, payment, and delivery of respective licenses.

SMA will also welcome more transformational collaborative efforts in the 2021/2022 financial year. We look forward to working with the Broadcasting Commission of Jamaica (BCJ) on the path to the Digital Switchover for TV, by assisting in the assignment of the channelization for the Broadcasters.



GRATITUDE IS A MUST

SMA Family, we accomplished many major milestones for the fiscal year in review and for this, I express wholehearted thanks to all members of our team who made the SMA shine brightly amidst worldwide uncertainty and apprehension. The dedication and sacrifices that we all made not only strengthened the SMA but we all experienced varying degrees of growth in our personal lives as well.

As we reflect on the previous fiscal year, I encourage us all to focus on what was achieved by our perseverance, love, and commitment to the SMA. Let us always be purposeful, forthright, and committed to our core values.

It is truly gratifying to have the support of a knowledgeable and visionary Board of Directors. With their invaluable guidance and support, several projects, policies, and initiatives were achieved.

To the Honourable Minister, his Ministry, and the Office of the Permanent Secretary, we express heartfelt gratitude for their contribution and guidance as we continuously strive to shape a wireless, all-access future for our great and growing nation.

Dr. Maria Myers-Hamilton, EdD

Managing Director

BOARD OF **DIRECTORS**





BOARD OF DIRECTORS

ROLE OF THE BOARD OF DIRECTORS

In accordance with the Public Bodies Management & Accountability (PBMA) Act, 2001, the Board of Directors (BOD) is collectively responsible for providing oversight, strategic direction, and serves as the focal point for Corporate Governance, while being accountable to the responsible Minister and Shareholder. Additionally, the BOD is also responsible for ensuring that the organization is appropriately stewarding the resources entrusted to it and following all legal and ethical standards. The SMA's BOD began the 2020/21 fiscal year with a total of thirteen (13) directors including its chairman, Mr. Edward Gabbidon. Subsequent to the appointment of a new Minister for our parent body, the Ministry of Science, Energy and Technology (MSET), five (5) directors were replaced on November 16, 2020. During the period under review, in an effort to achieve business success and to maintain good corporate governance, the BOD met regularly to review the significant developments affecting the SMA and take the relevant decisions requiring Board approval.

The members of the Board of Directors and an indication of their expertise are as follows:



BOARD CHAIRMAN – EDWARD GABBIDON

Mr. Edward Gabbidon is the Chairman of the Board of Directors of the Spectrum Management Authority and the HEART Trust/NTA. He is also the Chief Executive Officer of SynCon Technologies Limited, an IT consulting firm specializing in ICT infrastructure and development.

In addition to his strategic leadership of the HEART Trust/NTA, which was merged with the Jamaica Foundation for Lifelong Learning, National Youth Service and Apprenticeship Board, he sits as a member of the Board of Directors of The Port Authority of Jamaica. He also served as Board Member of the Jamaica Digiport International Limited from September 2009 to March 2014 and as Council Member of the Private Sector Organization of Jamaica from January 2009 to March 2014.

In a career spanning the banking and communications services sectors, Mr. Gabbidon served in senior executive positions at LIME and RBTT Bank Jamaica Limited. A proud graduate of Kingston College, he holds a professional designation in Project Management Practices and Principles from the University of New Orleans and an MBA from the University of the West Indies, Mona. A multifaceted professional, Edward Gabbidon is a certified commercial pilot and a member of the United States Federal Aviation Administration.



DR. MARIA MYERS-HAMILTON

Dr. Myers-Hamilton has been a pioneer in the fields of Information Technology and Communications for the last 30 years. Prior to her assuming the position of Managing Director of the SMA in January 2018, she was involved in several ICT based engagements in both the public and private sectors. For a period close to three (3) years she served as Director of Information Systems at the Jamaica Public Service Company, where she led a team of 70 members and completed 35 ICT projects within time and budget. She also served as Senior Consultant at Lignum Systems Co. Limited, a firm which provided a wide range of IT consultancy services to both public and private sector companies.

In the mid 2000's she served as Director, Records and Information Management, Registrar General's Department; Manager, Business Development, and Research at Jamaica Promotions Corporation (JAMPRO), prior to which she was employed to RBTT Bank (Jamaica) Limited in the post of General Manager - IT / Chief Information Officer during 2001 – 2004. From 1998 – 2001, she also shared her expertise as Group MIS Manager / Team Lead for Union Bank IT Transformation with the Financial Sector Adjustment Company Limited (FINSAC).

Dr. Myers-Hamilton holds an EdD in Instructional Technology & Distance Learning from the Nova Southeastern University, Fischler School of Education. She is currently the Director of the Jamaica Autism Support Association and Trustee Chairperson of eGov Jamaica Pension Fund. Her previous directorships which involved the use and promotion of technology include: eGov Jamaica Limited; Cross Sectoral Coordination - Early Childhood Commission; Jamaica Electronic Transmission (JETS) Company; CaribbeaniSchool and A2Zed Learning Centre (Holy Childhood Prep. School- Kindergarten).



DIRECTOR – DELROY THOMPSON

Mr. Delroy Thompson is an Electronics Engineering Technician, with over 44 years of experience in television and general electronics, which includes but is not limited to communications, television production, events technical direction and designing of live streaming audio-visual systems. Mr. Thompson was the Technical Director for Reggae Month 2019 (Gospel Concert, Dennis Brown Concert & Gold Awards), Jamaica Independence GALA Celebrations from 2012 to 2018. Mr. Thompson also headed the live streaming and videography of Camperdown's Classic Track Meet, In-Sports Primary School and Athletics Championship, Jamaica Senior Cup Cricket Finals in 2016 and 2017, the Pan American Federation CAC Hockey Finals, Boys and Girls Champs in 2013 and the Research and Development for Stream VU in North Carolina, USA.

Mr. Thompson is a member of the Boards of Directors of the Spectrum Management Authority, the African Caribbean Institute of Jamaica and the Cinematography Authority.



DIRECTOR – MARCIA FORBES, C.D., Ph.D.

Dr. Marcia Forbes is co-founder, co-owner and Executive Chairperson of Phase Three Productions Limited, a company engaged in multi-media television productions. Dr. Forbes' personal commitment to the creative industries of Jamaica is being achieved through her continued work with the training industry practitioners and interns. Dr. Forbes is the author of two media-centred, research-driven books used by universities and high schools: *Music, Media & Adolescent Sexuality in Jamaica* (2010) – CXC-approved for CAPE Sociology; and *STREAMING: #Social Media, Mobile Lifestyles* (2012).

In 2018, at the request of the Prime Minister of Jamaica, she spearheaded the publication of a report, “How to Reduce Violence Against Women & Children in Jamaica”, as a part of her voluntary work in representing the Women Sector on the Partnership for Jamaica Council. She is currently working on a book that explores volunteerism, with focus on youth, for the United Way of Jamaica and CVSS.

Dr. Forbes was the first General Manager of Television Jamaica (TVJ) and was a member of its Board of Directors spearheading the move from JBC TV to RJR between 1997 and 2003. Dr. Forbes sits on the boards of The United Way of Jamaica, The Spectrum Management Authority, National Partnership Council, IDB ConSoc, International Women's Forum and the US Embassy. In addition to her appointment to the Board of the SMA, Dr. Forbes also serves on the boards of Television Jamaica, Caribbean Broadcasting Union in Barbados, Nationwide Network, Commonwealth Broadcasting Association in the UK and UNESCO as the Chairperson of the Communications Committee, and is Jamaica's representative to the International Programme for the Development of Communication (IPDC).



VICE CHAIRMAN – CAMILLE FACEY

In addition to her stint as Deputy Chairman of the Board of Directors of the Spectrum Management Authority, Mrs. Camille Marr Facey is the Managing Partner at the law firm FACEYLAW, where she specializes in company and commercial law, corporate governance, telecommunications, conveyancing, trusts and estates.

Prior to FACEYLAW, Camille spent ten years at Cable & Wireless (C&W), initially as a Senior Vice President and later as Regional Vice President with responsibility for Legal, Regulatory & Public Policy in Jamaica and the Northern Caribbean. Before C&W she spent eighteen years in publicly traded companies in the financial sector, holding positions such as Senior Vice President, General Counsel and Corporate Secretary at the financial institution better known today as Sagicor Bank Jamaica.

Camille currently chairs the Building Practitioners Board established under the new Building Act and the Corporate Governance Committee at the National Solid Waste Management Authority (NSWMA). She serves as a Director on the boards of the Jamaica Chamber of Commerce and Youth Reaching Youth (a registered charity). She also serves as a member of the Corporate Governance Committee of the PSOJ and is one of the advisors to small businesses in the Jamaica Business Development Corporation (JBDC) Accelerator Programme as well as being a member of the Commercial Law Committee of the Jamaica Bar Association.

Camille is the Immediate Past President of the International Women's Forum (Jamaica Chapter) and a former Deputy Chair of CANTO (Caribbean Association of National Telecommunications Organizations). She has also served as a member of the Boards of Directors of National Development Foundation of Jamaica; Universal Access Fund Company and Arts Foundation of the Edna Manley College amongst others.



DIRECTOR – MARSHA HAUGHTON

Mrs. Marsha Haughton is a Director with responsibility for Treasury and Accounting, at J. Wray & Nephew Limited. Her work includes dealing with direct business, accounting and planning processes focused on developing efficient solutions to group problems and inconsistencies. Mrs. Haughton is also responsible for ensuring company morals are adhered to and are continuously relevant. A Chartered Certified Accountant armed with over 14 years of experience in auditing and manufacturing/distribution, Mrs. Haughton excels at efficiency, leadership and team management after gaining experience as a Senior Manager in Assurance at PricewaterhouseCoopers, where she was able to work with clients' management teams to identify internal control weaknesses and provide recommendations on risk identification, mitigation and management.

Mrs. Haughton's clients included a wide cross-section of top tier companies, such as companies listed on the Jamaica Stock Exchange, manufacturing/distribution entities, companies regulated by the Financial Services Commission, various government entities, affiliates of multinational corporations as well as small and medium-sized enterprises. In addition to her appointment to the Board of the SMA, Mrs. Haughton sits on the board of the Hope Outreach Center since 2010 as an instrumental team member in the formation and initial funding of the August Town-based educational institute providing CSEC examination and GSAT (now PEP) preparation



DIRECTOR – LOUIS-RAY HARRIS

Dr. Louis-Ray O. Harris is a lecturer in the Department of Physics in the Faculty of Science and Technology at the University of the West Indies (UWI), Mona. Dr. Harris' general areas of academic specialization include wireless communications, electromagnetic compatibility, health effects of wireless devices, satellite communication, electronics and the Internet of Things (IoT). Prior to his role as a lecturer at the University of the West Indies, Dr. Harris served as a lecturer in the School of Engineering at The University of Technology, Jamaica from 2002 to 2004, and again from 2010 to 2014, and a Postdoctoral Researcher at the Institut d'Électronique et de Télécommunications de Rennes (IETR), France from 2009 to 2010.

Professionally, Dr. Harris has served on different academic and non-academic committees in varying capacities. He is a Senior Member of the Institute of Electrical and Electronics Engineers (IEEE), and has developed and reviewed training modules for the International Telecommunication Union (ITU). He has authored and co-authored several research and other scholarly papers which have been published in journals, conference proceedings, and by the ITU. He has also made special presentations that pertain to issues impacting the field of wireless communications. In 2015, Dr. Harris received the UWI Principal's New Initiative Grant to acquire equipment to model the health effects of wireless devices on humans in different environments.

In 2004, Dr. Harris was a recipient of the Government of Japan Monbukagakusho (MEXT) Scholarship for postgraduate study in Japan, where he received his PhD in wireless communications from Hokkaido University. Prior to that, he received a Master of Science in Space Communications Engineering with Distinction awarded at Lancaster University in England, and a Bachelor of Science in Electrical and Computer Engineering from The University of the West Indies, St. Augustine.



DIRECTOR – KAYDIAN SMITH-NEWTON

Kaydian A. Smith-Newton has been a practising Attorney-at-Law since 2004. A Thomas Buerghenthal Scholar, she holds a Masters' Degree in Intellectual Property Law.

In 2009, Mrs. Smith-Newton re-entered the public service as the first Legislative Counsel at the Houses of Parliament; a position she held for three (3) years. Presently, she is the Principal Director of Information and Communications Technology in the Ministry of Science, Energy and Technology.



DIRECTOR – RAKESH GOSWAMI

Mr. Goswami holds a Bachelor of Arts with Honours in Economics, First Division, from Delhi University in India, and holds the ACA designation from the Institute of Chartered Accountants in England and Wales (ICAEW).

Mr. Rakesh Goswami is a corporate executive with over thirty years of strategic management, leadership and operational management experience and has a track record of developing effective managers and teams. He has lived and worked in multiple countries including India, Jamaica, Trinidad & Tobago, the UK and USA. Mr. Goswami is currently an executive of the JN Group of Companies and the Managing Director of the MCS Group. In that role he has the responsibility to lead the non-financial, non-regulated companies of the Jamaica National Group.

Prior to this role he was the Executive Vice President/General Manager of Strategic Alliances, Enterprise & Tobago Operations at Telecommunications Services of Trinidad & Tobago. He worked with Pannell Kerr Foster, London and also PricewaterhouseCoopers, Jamaica in Audit and Corporate Finance roles respectively. He was the Chief Financial Officer/General Manager of Finance for J Wray & Nephew Limited as well as Cable and Wireless (Jamaica) Limited. Mr. Goswami also served as the Chief Executive Officer of R&R Resorts in Atlanta, Georgia – a company that owned and managed health and wellness resorts across multiple countries.

Mr. Goswami currently sits on the boards of the Spectrum Management Authority where he is the Chair of the Audit Committee, The Creative Unit Limited, Total Credit Services Limited, J.N. Properties Limited and MC Systems Limited. He was also a Vice President of the Trinidad & Tobago Chamber of Commerce and Industry for several years and has lectured in Financial Statements Analysis for MSc International Finance students at the Arthur Lok Jack Graduate School of Business, Trinidad.



DIRECTOR – ROBERT RICHARDS

Mr. Robert Richards is a fully certified Netware Engineer and the CEO of LAN Integrators Limited, a computer equipment sales and service based firm established in 1993. Prior to this, Mr. Richards was employed to various companies, fulfilling the roles of Senior Engineer before moving on to managerial positions, in which he was charged with the responsibilities of establishing Engineering Departments. Mr. Richard is known for his work with various Caribbean islands, namely, Grenada, Trinidad, Barbados and St. Vincent, where his focus was on customer satisfaction and respectable performance.

Some of Mr. Richards' most notable achievements include: the structuring of the Engineering Department at Computer Business Systems Limited to be the leading IT Engineering Department in Jamaica from 1985-1994; being the first Jamaican IT Engineer to publish multiple papers in LAN times Magazine in California, U.S.; and implementing the first fully computerized retail system in the Eastern Caribbean.



DIRECTOR – HEIDI HANNA

Ms. Heidi B. Hanna is an accomplished Human Resources Executive with over 25 years of proven experience in talent and leadership development, policy and procedure administration, retention approaches, carrier negotiations, benefit design, employee relations, Human Resource Information System (HRIS) implementation, operations management and shared service design and delivery.

Ms. Hanna is the HR Executive Director/Founder of HR 360 based in Kingston, Jamaica, providing HR consulting services to a variety of business sectors. Ms. Hanna also serves as an HR freelance consultant at Great People Solutions.

Ms. Hanna was the Director of Human Resource Services at the Jamaica Public Service Company from March 2013 to January 2014. Prior to this, Ms. Hanna served as the Head of HR Shared Services at LIME from November 2010 to March 2013. Ms. Hanna also served in various areas of leadership in Miami, Florida as the Director of Human Resource Business Partner at ADP Small Business Services from 2008 to 2010, the Director of Benefit Services, Client Acceptance at ADP TotalSource from 2005 to 2008 before which Ms. Hanna operated as the Manager of Benefit Services, Carrier Relations from 2002 to 2005. From 1998 to 2002, Ms. Hanna held several roles in the Canadian consulting firm Morneau Shepell (formerly Morneau Sobeco), in HR Administrative Solutions/Outsourcing.

Ms. Hanna holds a Bachelor of Arts Degree in Economics/Industrial Relations (Honours) from the University of Toronto, and a Master of Business Administration from the Nova Southeastern University in Miami, Florida. Ms. Hanna also holds a Professional Human Resource Certification from Florida International University along with various certifications in Coaching, Employee Benefits, Health Care Plan Designs and Fundamentals of Management. Ms. Hanna is professionally affiliated with the Society for Human Resource Management (SHRM), the International Foundation of Employee Benefits Plan (IFEBC) and the Sigma Beta Delta Business Honor Society. Ms. Hanna sits on the Board of the Spectrum Management Authority.



DIRECTOR – MERRICK MARSHALL

Mr. Merrick Marshall is a Chartered Accountant serving as the Senior Commercial & Support Finance Analyst at Desnoes & Geddes Ltd (Red Stripe, a part of the HEINEKEN Company). Prior to Mr. Marshall's current position as the Senior Commercial & Support Finance Analyst, he previously held the positions of Senior Business Analyst of Performance Reporting from 2018 to 2019, Reporting Analyst at Desnoes & Geddes Ltd from 2016 to 2018 and the Senior Accounting Supervisor at Honey Bun (1982) Ltd in 2016.

Mr. Marshall holds a Bachelor of Science in Management Studies (Accounting) from the University of the West Indies, Mona (2012) and is a certified Strategic Professional, awarded by the Association of Chartered Certified Accountants (ACCA). Mr. Marshall also holds a Certificate of Achievement in Forensic Accounting from the Institute of Chartered Accountants of Jamaica (ICAJ), White Belt Continuous Process Improvement Lean on the Web Training, Advanced Diploma in Accounting and Business from the Association of Chartered Certified Accountants (ACCA) and a Microsoft Excel Advanced Workshop Certificate from the HEART Trust/NTA.

Mr. Marshall's education and experience along with his achievements throughout the pursuit of this career path provided a well-rounded background and enabled the development of an analytical/ logical approach towards tasks. Mr. Marshall boasts many skills, namely, Communication, Performance Management, Project Management, Granular Discretionary Analysis, QuickBooks, Navision & SAP.



DIRECTOR – STEPHEN STEELE

Mr. Stephen Steele is a Shareholder, Director & Chairman of National Outdoor Advertising Limited and iPrint Digital Limited where he provides leadership to the firms' officers and executives. Prior to Mr. Steele's current positions, he previously held the title of Owner and Managing Director of Marreal Traders from 1990 to 2000.

Mr. Steele studied at the University of the West Indies, Jamaica, where he graduated in 2008 with a Major in Political Science and a Minor in Criminology. Mr. Steele's education and experience along with his achievements through the pursuit of breaking grounds through entrepreneurship has provided a well-rounded background and enabled the development of a creative yet structured approach towards tasks. Mr. Steele has several years of experience in various work fields that compliments the partnerships he has forged locally and internationally.

Mr. Steele served as a board member for the Transport Centre in the early 2000's and as Vice President for Tennis Jamaica from 2010 to 2014. Presently, Mr. Steele sits on the board of Spectrum Management Authority.

BOARD OF DIRECTORS' COMMITTEES

April 1, 2020 – March 31, 2021

Role of the Board's Committees

The composition of the Board ensures that no individual or small group can unduly dominate the decision-making process. The members of the Board are distributed across four (4) committees that are guided by their respective Charter of Operations. It is through these charters that the committees are able to monitor the Authority's internal controls, to ensure that best practices and procedures are maintained to safeguard the shareholder's interests and the SMA's assets. These committees have been carefully selected based on the skills, experience, independence and knowledge of the members in order to derive efficiency from the cadre of professionals on the Board. The responsibilities and roles of these four (4) committees of the Board along with an indication of the members who served in various respects during the fiscal year were as follows:

Technical Operations Committee	Committee Members
The Technical Operations Committee provides oversight and support to the management team of the Spectrum Management Authority on the technical, regulatory and policy aspects of the Authority's operations. The committee also ensures that the technical operations of the Authority are in keeping with international best practices for spectrum management and will satisfy the local demand for spectrum use.	<ul style="list-style-type: none"> • Robert Richards (Chair) • Edward Gabbidon • Delroy Thompson • Louis-Ray Harris • Kaydian Smith-Newton • Merrick Marshall
Corporate Governance & Human Resources Committee	Committee Members
The Corporate Governance and Human Resources Committee assists the Board in fulfilling its oversight responsibilities and ensures that the SMA adheres to its corporate governance mandate in line with the Public Bodies Management and Accountability Act, 2001 (PBMA), the Authority's Memorandum and Articles of Association, Corporate Governance Framework for Public Bodies and all other applicable laws, regulations and government guidelines. The Committee also makes recommendations for the establishment and subsequent review of appropriate human resources policies and procedures and sanctions for breach of policies.	<ul style="list-style-type: none"> • Camille Facey (Chair) • Marcia Forbes • Kaydian Smith-Newton • Rakesh Goswami • Heidi Hanna

Finance & Procurement Committee	Committee Members
The Finance and Procurement Committee provides oversight in reviewing and resolving financial and procurement issues, and to ensure that funds are fully accounted for, and procurement of goods and services is done in compliance with the law. Additionally, this committee has oversight of the procurement process to ensure compliance with the Procurement Act, 2018 and its regulations.	<ul style="list-style-type: none"> • Marsha Haughton (Chair) • Merrick Marshall • Delroy Thompson • Louis-Ray Harris • Stephen Steele

Audit and Risk Management Committee	Committee Members
The Audit and Risk Management Committee advises the Board on practices and procedures which will promote productivity and the quality and volume of service; the adequacy, efficiency and effectiveness of the accounting and internal control structure and systems of the public body and the independence of the auditors auditing the public body. Among other things, this committee also reviews and advises the board on the financial statements that are to be included in the Annual Report of the SMA, and oversees the internal audits of the Authority. It also considers the adequacy of risk management to include mechanisms for assessment and management of risk.	<ul style="list-style-type: none"> • Rakesh Goswami (Chair) • Camille Facey • Robert Richards • Marcia Forbes • Heidi Hanna

Conflict of Interest

The Board and its committees are cognizant of the fact that conflicts of interest affect ethics by distorting decision-making and generating consequences that can undermine the credibility of the Board and its corporate governance systems. In keeping with international best practices, the Charter of Operations for the Board, as well as the charters for the four (4) board committees, outline the manner in which members of the Board and its Committees should handle conflicts of interest. A director has a duty to avoid as far as possible, activities that could create conflicts of interest or the appearance of conflicts of interest, and must disclose to the Board any matter that may result, or has already resulted, in a conflict of interest. Where a conflict of interest arises, directors have a responsibility to declare their interest and remove themselves from the relevant board or committee meetings without deliberating or voting on the proposal or transaction. The committee members understand their duty of care to the Authority and its stakeholders and continue to exercise their fiduciary responsibilities with transparency and integrity.

RECORDS OF ATTENDANCE

For the 2020/21 fiscal year, the SMA scheduled eight (8) meetings of the Board of Directors. Additionally, meetings with regards to four (4) committees of the Board were also held. A summary of the attendance of directors at meetings of the Board and its committees for the FY are outlined in the table below:

	BOARD	AUDIT	FINANCE & PROCUREMENT	CORPORATE GOVERNANCE	TECHNICAL OPERATIONS	JOINT FINANCE AND AUDIT	TRAINING
	8 ¹	2 ²	5	4	4	1	1 ³
	MEETINGS	MEETINGS	MEETINGS	MEETINGS	MEETINGS	MEETING	
Rochelle Cameron ⁴	5	1	-	3	-	1	-
Camille Facey	7	-	-	3	-	-	1
Marcia Forbes	7	-	-	2	-	-	1
Edward Gabbidon	8	-	-		4	-	1
Rakesh Goswami ⁵	2	-	-	1	-	-	-
Heidi Hanna ⁶	3	-	-	1	-	-	-
Louis-Ray Harris ⁷	3	-	1	-	1	-	-
Marsha Haughton	7	-	5	-	-	1	1
Merrick Marshall ⁸	3	-	1	-	1	-	-
Vaughn McDonald ⁹	5	2	3	3	-	1	1
Marlon Morgan ¹⁰	5	-	4	-	-	1	1
Maria Myers-Hamilton ¹¹	8	-	5	4	4	1	1
Claude Petgrave ¹²	5	-	-	-	3	-	1
Robert Richards ¹³	8	2	-	-	1	-	1
Kaydian Smith-Newton	8	-	-	4	4	-	1
Stephen Steele ¹⁴	1	-	-	-	-	-	-
Delroy Thompson	8	-	5	-	4	1	1
Rohan Townsend ¹⁵	-	2	-	-	-	1	-
Dalton Yap ¹⁶	5	2	-	-	3	1	1

¹ Special Board of Directors' meeting held on June 10, 2020 and an Extraordinary meeting held on June 30, 2020.

² Includes participation of three (3) members and a co-opted member of the Audit Committee who conducted Interviews for the post of Internal Auditor on June 3, 2020 and July 29, 2020 in keeping with responsibilities outlined in the Audit Committee Charter.

³ A 1-day sensitization session on Public Procurement with the Board of Directors was held on May 28, 2020.

⁴ Rochelle Cameron resigned from the Board of Directors on August 14, 2020.

⁵ Rakesh Goswami was appointed to the Board of Directors on November 16, 2020 and to the Corporate Governance and Audit Committees on February 25, 2021.

⁶ Heidi Hanna was appointed to the Board of Directors on November 16, 2020 and to the Corporate Governance and Audit Committees on February 25, 2021.

⁷ Louis-Ray Harris was appointed to the Board of Directors on November 16, 2020 and to the Technical Operations and Finance & Procurement Committees on February 25, 2021.

⁸ Merrick Marshall was appointed to the Board of Directors on November 16, 2020 and to the Technical Operations and Finance & Procurement Committees on February 25, 2021.

⁹ Vaughn McDonald attended two (2) interviews for the post of Internal Auditor on June 3, 2020 and July 29, 2020 as an HR Practitioner.

¹⁰ Marlon Morgan was not reappointed to the Board for the period November 16, 2020 to November 15, 2022

¹¹ Maria Myers-Hamilton is the Managing Director and is therefore not compensated for attendance at Board or Committee meetings.

¹² Claude Petgrave was not reappointed to the Board for the period November 16, 2020 to November 15, 2022.

¹³ Robert Richards was appointed to the Technical Operations Committee on February 25, 2021.

¹⁴ Stephen Steele was appointed to the Board of Directors on February 15, 2021 and to the Finance Committee April 8, 2021.

¹⁵ Rohan Townsend, Chartered Accountant, was co-opted to serve on the Audit Committee only.

¹⁶ Dalton Yap declined the offer of appointment to the Board for the period November 16, 2020 to November 15, 2022.

SPECTRUM MANAGEMENT AUTHORITY BOARD COMPETENCY MATRIX

Profile & Diversity Matrix

Specific Competency: Knowledge & Expertise/Attribute

	EG	DT	CF	MF	MH	RG	KSN	RR	LRH	MM	HH	SS	MMH
Board Experience	X	X	X	X	X	X	X	X	X		X	X	X
Research & Development Strategy	X	X		X				X	X			X	X
Telecom Infrastructure Strategy Development	X	X				X		X	X				X
Frequency Planning									X				X
Electrical and Electronic Engineering		X						X	X				
Telecommunications/ Technology Management	X	X	X			X	X	X	X				X
Investment Banking	X			X	X	X						X	X
Project Management	X	X		X		X		X			X	X	X
Corporate Governance	X	X	X	X	X	X	X	X				X	X
Human Resource Management			X	X			X				X	X	X
Corporate Communications	X		X	X				X			X	X	X
Risk Management	X			X	X	X	X					X	X
Financial Literacy	X		X	X	X	X		X	X	X		X	X
Legal			X				X						X
Government Operations	X	X	X	X	X	X	X	X				X	X
Organizational Knowledge	X	X	X	X	X	X	X	X					X

CHARACTERISTICS:

Women		X	X	X		X					X		X
Youth (30 OR UNDER)										X			

LEGEND:

EG - Edward Gabbidon
 DT - Delroy Thompson
 CF - Camille Facey
 MF - Marcia Forbes

MH - Marsha Haughton
 RG - Rakesh Goswami
 KSN - Kaydian Smith-Newton
 RR - Robert Richards
 LRH - Louis-Ray Harris

MM - Merrick Marshall
 HH - Heidi Hanna
 SS - Stephen Steele
 MMH - Maria Myers-Hamilton

BOARD OF DIRECTORS' REPORT

The 2020/21 fiscal year (FY) was unlike any other, as the Spectrum Management Authority (“the SMA” or “the Authority”) sought to achieve its operational targets and advance closer to the slated strategic objectives, amidst the global challenges brought about by the SARS-CoV-2 virus (COVID-19) pandemic. The onset of the COVID-19 pandemic, with its safety protocols, demanded increased levels of connectivity globally, and Jamaica was no exception. The increased need for connectivity brought renewed focus and enhanced the importance of effective management of the radio frequency spectrum (the spectrum) by the SMA, which was critical to the Government of Jamaica’s efforts, as the country sought to restore a semblance of normalcy as businesses, schools, churches, healthcare industries, and families adapted to the new conditions, occasioned by the pandemic. As such, during the FY, with the increased

demand on the spectrum, the SMA rose to the occasion and was absolute in its resolve to provide “clean spectrum” for users (the clients) and expert advice on spectrum management to the Minister/Ministry of Science, Energy and Technology (MSET), towards making timely relevant policy decisions.

For the year under review, the SMA performed commendably, particularly in relation to its core operational activities (licensing – new and renewal, interference management and financial management) whereby the SMA was able to meet and or exceed the key performance indicators established prior to the beginning of the FY. Additionally, notwithstanding delays experienced in getting required external approvals, on account of the pandemic, the SMA was able to complete several capital or development initiatives during the year. These included, inter alia, the following:

A view of the SMA’s main office building along Harbour Street, Kingston





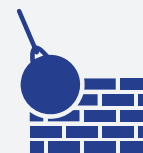
Online Learning Management System (LMS – Radio Technician).



Disaster Recovery Site.



Renovation and commissioning of the Annex.



Demolition of Perimeter Fence and Construction of Boundary Wall.



Completion and Submission of Spectrum Pricing Policy.



Upgrading of Telephone System.



Online Payment and Type Approval System.

Of importance to note was that at the end of the FY, the SMA was in the process of licensing spectrum in the 700 MHz Band 13, on the directives of the Minister with responsibility for Telecommunications, the Hon Daryl Vaz. This serves as an initiative to increase connectivity and possibly competition in the market. The SMA was also involved in the development of a pricing policy and associated legislative amendments, which is a significant policy and regulatory initiative needed to facilitate efficient spectrum management. The SMA provided the MSET with policy recommendations regarding spectrum pricing for services such as International Mobile Telecommunications (IMT) Services, Fixed Services, and Satellite Services among others. The slated policy and legislative changes are intended to facilitate increased competition in the market and to have in place prices that reflect the current market value of the spectrum asset.

In light of the above performances, the Board of Directors (the BOD) of the SMA is pleased to report in further detail the overall corporate performance of the organization.



Corporate Performance

During the 2020/21 FY, the SMA again utilized the balanced scorecard strategic framework to monitor and manage the organization's performance according to the key performance indicators (KPIs) established prior to the beginning of the FY. As noted before the SMA continued to perform creditably, as several years of significant improvements and continuous technological advancements have strengthened the SMA's ability to create value for its customers in managing the spectrum efficiently. Further details of the SMA's performance are outlined below.



1. Licensing

The licensing of users of the spectrum represents the basis for planning for the best use of the radio frequency spectrum and ensuring that minimum harmful interference is caused to authorized users of the spectrum. As such, the licensing process of the SMA involves the input of several departments; the main ones being, Band Planning, Monitoring and Inspection, Legal Affairs and the Licensing Secretariat. The various departments combine to ensure an efficient licensing process for new applications and for renewals.

New Licensing

During the 2020/21 FY, the SMA received 228 new applications in addition to the 13 applications brought forward from the previous (2019/20) FY, which were not yet approved, resulting in 241 applications

handled for approval. Of the 241 applications handled, 215 or 90% of applications were approved for the grant of a licence, whilst 1 licence was cancelled. Of the 215 applications approved, 206 or 96% were processed within their respective established processing times, which exceeded the targeted KPI of 80%. The number of licences granted for the current fiscal year however represented approximately 18% reduction, when compared with the total of 263 granted in the previous fiscal year (2019/20), but was approximately 5% above the 2018/19 FY total of 205. The SMA's established processing time for new applications ranges from 1 business day to 25 business days, depending on the type of licence to be processed.

Table 1 – New Licence Applications Granted by Type for last three (3) FYs

LICENCE TYPE	GRANTED 2018/19	GRANTED 2019/20	GRANTED 2020/21
Aeronautical	1	1	1
Alien Amateur	11	6	1
Amateur	1	6	3
Citizen Band	3	1	2
Non-Spec Certification	9	4	4
Private Radio (Major)	0	0	3
Private Radio (Other)	35	35	17
Marine (Temporary)	61	81	76
Marine (Permanent)	80	126	103
Marine (Non MAJ)	3	0	0
VSAT	1	3	5
TOTAL	205	263	215

Renewal Licensing

For the fiscal year under review, the SMA renewed 449 licences, which represents a performance rate of 89%, which exceeded the established KPI of 85%. The FY's target was 545 existing licences, however there were 39 cancellations, which reduced the

renewals to a working total of 506. As illustrated in Table 2 below, there was an increase in the number of licences renewed during the period under review, compared with the previous two (2) fiscal years. Note that licences are only renewed after receipt of payment.

Table 2 – Number of Licences Targeted and Approved for Renewal for the last three FYs

FISCAL YEAR	RENEWED	REVISED TARGET
2018/2019	419	478
2019/2020	439	479
2020/2021	449	506

As at 2021 March 31, of the 449 licences renewed, all 449 were processed within the standard processing time of 5 business days after receipt of payment. This represents a performance rate of 100%, which is above the KPI of 90% (or 404 of the 449) for this activity.

Type Approval

For the period under review, 295 Type Approval applications were received, from which 286 were granted. This resulted in a performance rate of 97%. The number

of applications received and handled for the first time in 4 fiscal years has reduced in comparison to the previous fiscal year (see Table 3). This may be attributed to the impact of the global pandemic. As at 2021 March 31, two (2) applications were cancelled, and 11 were pending, as further information was required before processing could be completed. Of the 295 Type Approvals granted, 286 (or 97%) of those were granted within the standard processing time (10 business days) established. This 97% exceeds the established KPI of 80%.

Table 3 – Type Approvals Received and Granted for the last four FYs

Year	Applications Handled in FY	Granted / Approved
2017/18	275	247
2018/19	331	295
2019/20	382	356
2020/21	295	286



2. Interference Investigation

During the period under review, fifteen (15) cases of interference were investigated by the Monitoring and Inspection Department, three (3) of which were brought forward from the 2019/2020 financial year. As at March 31, 2021, two (2) cases were pending, resulting in thirteen (13) of the fifteen (15) cases being resolved. All thirteen (13) cases were resolved as at 2021 March 31 within their respective resolution times. The resolution time performance represents 100% compliance against a KPI of 90%. Of interest, approximately 92% of the cases investigated were matters relating to FM Broadcasting and aeronautical interference.

The Monitoring and Inspection Department continues to work closely with the Broadcasting Commission, Jamaica Civil Aviation Authority (JCAA) and FM Broadcasters to take a proactive approach regarding the identification and resolution of these interference issues.



3. Financial Management

Income

To ensure the efficiency and effectiveness of an organization, the proper management of finances is a crucial element to ensuring success. Sound financial management involves a deliberate and consistent control of all incomes, expenditures, assets and liabilities to ensure not only the sustainability and profitability, but also the efficiency of the business. It is with this principle in mind that the SMA, as a self-funding organization operates in an effort to sustain the efficient management of the spectrum and to regulate effectively.

For the period ending 2021 March 31, the SMA booked total income amounting to \$568.94M, which is above the KPI of \$487.66M or 80% of the target. The table below compares the actual, budgeted and KPI performance levels.

Table 4 - Comparison of Actual and Budgeted Revenue – 2020/21 FY

	ACTUAL	BUDGET	KPI (80% OF TARGET)	ACTUAL VS KPI VARIANCE
	\$'M	\$'M	\$'M	\$'M
Processing Fees	15.54	11.35	9.08	6.46
Regulatory Fees	528.29	426.95	341.56	186.73
Interest Income	16.72	9.66	7.73	8.99
Other Income	8.39	161.61	129.29	(120.91)
TOTAL	568.94	609.57	487.66	81.27

Expenditure

Actual expenditure (including depreciation) incurred by the SMA during the 2020/21 FY amounted to \$526.81M for the 12 months ending 2021 March 31, which was within the budgeted amount of \$609.57M. The main factors for the positive variance were primarily due to Salary & Related Cost and Professional Fees, as consultancy services were contracted in light of the vacancies which existed within the organization. In relation to Salaries & Related Cost, the anticipated expenses budgeted for five (5) vacant positions, seventeen (17) new positions; and a further salary increase anticipated from the reclassification exercise, did not materialize. The requisite approvals were never obtained. Additionally, the SMA always seeks to reduce costs, ensuring the best value for money, while minimizing and mitigating against any fallout or negative impact this might have on the level and quality of services delivered to our customers.

Collection of Spectrum Licence Fees

As mandated, Spectrum Licence fees are collected on behalf of the GoJ and are remitted to the Consolidated Fund via the Tax Administration of Jamaica. Actual collection of Spectrum Licence fees for the 12 months ending 2021 March 31, (excluding interest & FX changes) amounted to \$1,484.55M. This is \$561.21M above the budgeted amount of \$1,155.43M, and \$560.20M or 161% above the targeted KPI for collection of \$924.34M.

Total remittance amounting to \$1,484.42M (including amounts brought forward from

the previous FY) for the same period also exceeded the KPI established of \$1,155.43M. *Please note that Spectrum Licence fees collected on mobile licences are remitted in the month it is collected, whilst for all other categories of licence, it is remitted in the month after they are collected.*



Capital Development Initiatives

During the reported fiscal year, the local and international community continued to face the impacts and challenges of the coronavirus pandemic (COVID-19), which affected the roll-out of numerous of capital development projects and major initiatives. Despite these challenges however, the SMA successfully completed a number of the proposed activities and also managed to set into motion a few important initiatives, which are all geared towards further improving the efficiency of the Authority. Below are highlights of the capital development projects; major activities and initiatives, which were pursued during the 2020/21 fiscal year.

Capital Development

Finalizing Building Renovation (The Annex)

In the first quarter to the 2020/21 FY, the SMA completed its efforts to renovate its adjoining office space ('The Annex') located at 21-23 Harbour Street. All outstanding approvals, installation, painting and cleaning were satisfactorily completed, and the renovated building was commissioned into use. Over time, the widening dimensions of the SMA's services and activities, coupled with the increase in the personnel required to be of

collective service to the SMA, have created the need for expansion of the physical space, which then allowed for the further expansion of resources, both physical and technological. The Annex since that time has been duly occupied, housing the Office of the Managing Director, Band Planning Department, Legal Affairs Division and the Operating Systems & Special Projects Department.

Implementation of Online Learning Management System (LMS) Platform

The Radio Technician Licence is issued by the SMA on behalf of the Postmaster General in keeping with the relevant sections of the Telecommunications Act, 2000 and the Radio and Telegraph Control Act, 1973. In November 2007, the SMA entered into a formal Memorandum of Understanding (MoU) with the Post & Telecommunications Department and the Computing and Engineering Entrepreneurial Center (CEEC) through the Faculty of Engineering and Computing at the University of Technology to facilitate the Radio Technician's course for Class A and B Operators. Under the MoU, UTECH was also responsible for administering the required examination leading to the grant of the Radio Technician's Licence.

Despite efforts to market the course through formal letters to target audiences and placement of advertisements in local newspapers, there was a low take-up for the course. Consequently, in an effort to reduce the cost of the course and provide more flexibility for potential applicants, in October 2019, the SMA embarked on an initiative to develop an Online Learning Management

System (LMS). During the 2020/21 fiscal year, all the target actions regarding the platform's development such as the engagement of the requisite consultants; the configuration of the Information Technology Infrastructure; the development of instructional material; publication of instructional material on the LMS platform and the testing of the LMS platform were completed. Upon completion of the Radio Technician Course, participants will receive official certification and ultimately increase the pool of certified radio technicians available to conduct installations, maintenance and repairs to radio apparatus.

Establishment of Disaster Recovery Site

A disaster recovery site, also known as a "warm site", or "backup site", is a facility an organization can use temporarily to recover and restore its technology infrastructure and operations when its primary data centre becomes unavailable following a security breach or natural disaster. Such a facility would ensure that the SMA can continue operations until it becomes safe to resume work at its Harbour Street main office. As the Authority is constantly exposed to a number of potential vulnerabilities, it is imperative that we ensure the continuation of vital business processes in the event that such an adverse situation occurs. The SMA, therefore, utilized the server hosting services of eGov Jamaica Limited (eGovJa) to establish this "warm site".

On February 13, 2021, the warm site was commissioned into operation at the offices of eGovJa. The SMA deployed a network-attached storage (NAS) server, among other peripherals so as to attain the redundancy,

scalability and high availability which may be needed. The warm site replicates our local network equipment that includes: networks, servers, computers, wireless devices, various software applications and connectivity to a service provider. As at the end of the FY, the SMA was able to backup and restore all its data in the event of a disaster. This necessary ability is a critical component of a company's business continuity strategy as it provides a more robust and effective option that can be used to recover the most vital business processes within an agreed time frame using vital records that are stored off-site. Additionally, it allows for minimal interruptions to normal administrative operations, establishes an alternative means of operation in advance and provides security requirements, especially for sensitive data and equipment.

Online Type Approval System

During the 2020/21 FY, the SMA continued its work on the development of an electronic "Type Approval System". The aim of this system is to provide automated access to Type Approval services and reduce the application processing time. Type Approval is the process of determining, registering and authorizing the kind of radio equipment that can be imported and used in Jamaica without causing interference to other spectrum users. Under the Radio and Telegraph Control Act (RTCA), 1973, persons importing wireless radio devices into Jamaica are required to obtain a license for the use of the device. Therefore, all radio devices are subject to Type Approval and must comply with the Authority's technical standards and requirements prior to importation or marketing.

As at the end of FY, the SMA completed the development of the system, which was fully integrated with the payment gateway to allow for a quick-and-easy way for clients to complete payments and the Type Approval data entry process. Access to this system allows for a more seamless procedure for the SMA and also enhances customer experience and satisfaction. Given the importance of the payment gateway, thorough testing of the system was being conducted. It is anticipated that the system should be finalized for commissioning during the second quarter of the 2021/22 FY.

New e-Licensing Software

In an effort to improve its licensing management system, to, inter alia, make its licensing system more accessible to its internal and external stakeholders, the SMA embarked on the acquisition of a "New E-Licensing System". Currently, the Authority has an old system for creating, modifying and renewing licenses, which requires heavy manual intervention, as opposed to being more automated. The current process is also not as timely as is desired.

Subsequent to the project concept approval by the Public Investment Management Secretariat (PIMSEC) in the latter part of the 2019/20 FY, the SMA made significant steps during the 2020/21 FY towards the implementation of the new system. In May 2020, the project received endorsement from the Programme Portfolio Management Committee (PPMC) of eGov Jamaica Limited. This was later followed by several rounds of other layers of approval such as the Strategic Public Sector Transformation Project (SPSTP) and Public Investment Management

Committee (PIMC), which is chaired by the Minister of Finance and comprised of other Ministers and stakeholder groups such as NEPA, eGOV, UDC, et al for final approval. As of March 31, 2021, the project was at the closing stages of the procurement process where six (6) suppliers have responded to the Request for Proposal (RFP) and the select evaluation committee has completed the technical assessment of the submissions. The complete evaluation report including the assessment of the suppliers' price proposals and the recommendation of the preferred supplier will be submitted to the Procurement Committee in the first quarter of 2021/22 FY.

When implemented, the new e-licensing system will, inter alia, expand and improve accessibility, providing access to stakeholders, from anywhere around the world having internet access. The result will be improvements in customer satisfaction and improved efficiencies in the internal processes in managing the spectrum.

RMDFS 2019/2020 Project

In 2006, the SMA established a state-of-the-art Radio Monitoring and Direction-Finding System (RMDFS) to detect activities of the Radio Frequency Spectrum and to assist with its frequency assignments. Back then, the network was successfully implemented and consisted of two (2) fixed sites at Planters

Hall-St. Catherine and Oceana in Kingston, and a mobile unit. At the end of the 2020/21 FY the RMDFS network was expanded to two (2) mobile units and nine (9) fixed sites, spanning the parishes of Westmoreland, St. James, St. Ann, Manchester, St. Catherine, Kingston and St. Andrew.

During the 2020/21 FY, the Authority made good ground in advancing the plans for the implementation of five (5) additional fixed monitoring sites. The proposed sites will be located in the parishes of St. James (2), Hanover (1), Trelawny (1) and Portland (1); additionally, there will be the upgrade of the one (1) fixed site in the parish of Manchester.

This project will expand the SMA's RMDFS network to fourteen (14) fixed sites, and provide expanded coverage in areas with little to no coverage and improved Direction Finding (DF) accuracy in areas where there is existing coverage. Additionally, the SMA will increase its capabilities for spectrum interference analysis in the urban metropolitan areas of the island.



Legal, Policy and Regulatory Initiatives

During the 2020/21 FY, the SMA executed its mandate with respect to legal, policy and regulatory initiatives through, inter alia, the following activities:

Request for Proposal – Mobile 700 MHz

The SMA, on the directive of the Minister/Ministry with responsibility for Telecommunications, prepared a Request for Proposal (RFP) in keeping with the Government of Jamaica's (GoJ's) mandate to promote increased competition, establish universal access and bridge the immediate gap of connecting those citizens that are unserved as well as providing service to under-served areas. At the close of the bid submission period on March 23, 2020, no bids were received. The SMA was reviewing the outcome and was also seeking directions from the MSET regarding the way forward.

Drafting Technical Operating Guidelines

During the 2020/21 FY, the SMA drafted several technical operating guidelines that are aimed at streamlining the use of spectrum both in the telecommunications and broadcasting industries. These guidelines seek to address restrictions and tolerances for sites; minimize interferences with other services; establish test procedures; and regulate signal characteristics and radiated power levels. As at the end of the FY, the suite of drafts includes:

- Technical Operating Guidelines for FM Broadcast Services, which set out specific technical parameters that broadcasters will be required to adhere to in order to maintain their license, and or obtain new licenses in the FM Broadcast Band (88–108 MHz);
- Technical Operating Guidelines for Microwave Point-to-Point Services in the 11 GHz band, which set out specific technical parameters that users are required to adhere to in order to maintain

their license, and or obtain new licenses in the 10.7–11.7 GHz band.

- Technical Operating Guidelines for Digital TV Services, which will be used to regulate the use of the Digital Television Broadcasting allocated band 512–608 MHz; and
- Technical Operating Guidelines for the use of Private Mobile Radio (PMR446), Family Radio Services (FRS) and General Mobile Radio Services (GMRS), which will be used to guide decisions relating to the importation and clearance of radios operating in the UHF band for the mentioned services.

It is anticipated that upon approval, these guidelines will assist in regulating the various services and bring improved structure and efficiency to the various frequency bands and their use.

Collaboration with the Jamaica Customs Agency

The SMA and the Jamaica Customs Agency (JCA) discussed arrangements to streamline strategies and responses relating to the importation of radiocommunication equipment and to ensure there is better coordination between the entities and prioritization going forward. The JCA is primarily responsible for the collection of revenue, the protection of Jamaica's borders against illicit imports and the facilitation of trade. Based on its mandate, the SMA regulates the entry of radiocommunication equipment and apparatus being imported for use in Jamaica. As such, it was important for the JCA to be sensitized as to the various types of radiocommunication equipment being imported in the country.

Under the new arrangements, the SMA provides sensitization training for JCA personnel, specifically those at the respective points of import and entry, and Detention Notices will be sent to the JCA electronically. It is envisioned that collaboration will reduce incidents of unauthorised and/or prohibited telecommunications equipment from being imported for use into Jamaica.

Spectrum Pricing Policy Framework

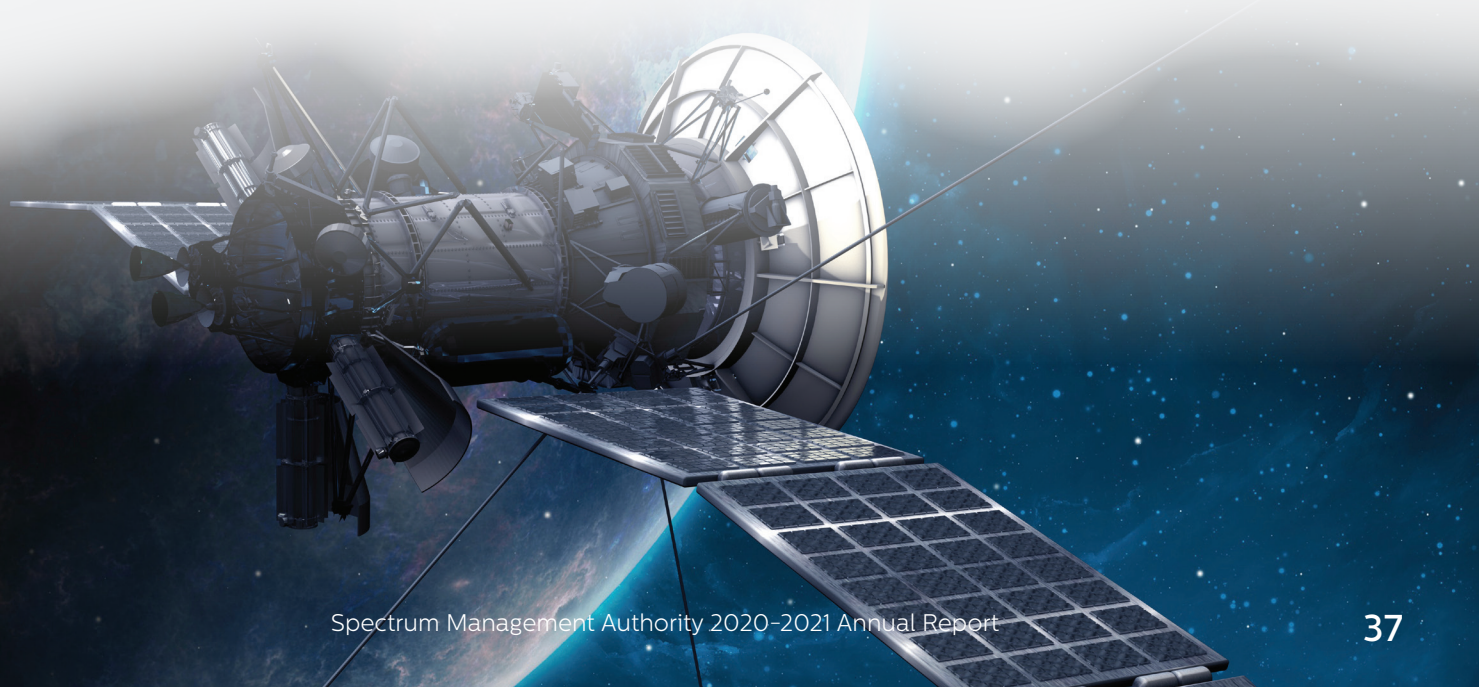
This Spectrum Pricing Policy Framework is a collaborative effort between the Ministry of Science, Energy and Technology (MSET) and the SMA. It articulates the Government's framework and policy related to the charging of fees for the regulation, management and administration of the radio frequency spectrum. The overall goal of the GOJ is to provide adequate signals and guidance to the telecommunications industry as to the legal and regulatory framework, which provides for certainty, transparency and equity. In this regard, this Policy and Framework seeks to establish the market value of the radio frequency spectrum and balances the demand for spectrum services with the need to encourage efficient use

of the spectrum and investment in the ICT sector, as well as ensure reasonable end-user prices and universal access to communication.

After obtaining feedback from industry stakeholders in July 2020, the policy recommendations were forwarded to MSET. On March 22, 2021, Cabinet considered the submission by the MSET and gave approval for the policy and framework. The Pricing Policy and Framework is applicable to all frequency bands allocated for use in Jamaica and is aligned with several national initiatives, such as the Information and Communications Technology (ICT) Policy, and Vision 2030 Jamaica: National Development Plan.

Spectrum Cap Policy

The World Radiocommunications Conference 2019 (WRC-19) was concluded on 2019 November 22, and as such, as a condition of the Spectrum Cap Policy (the Cap), a review was due for May 2020. In conducting the review, the SMA embarked on a collaborative effort with the Fair Trading Commission (FTC) to assess the "level of



competitiveness in the Telecommunications (mobile market) industry”; the FTC being the administrative body responsible for monitoring competition within markets through the administering of the Fair Competition Act (FCA). Based on the results of the study, and the responses from the consultation that followed, the SMA saw the need to develop a framework for the implementation of a spectrum screen instead of a cap. As at the end of the fiscal year, the SMA had included the Office of Utilities Regulations (the OUR) in the development of the framework that is to be further consulted on with the industry players.

Digital Television Switchover

During the last quarter of the FY, a team from the SMA, led by the Managing Director, participated in several meetings with the Digital Switch Over (DSO) Regulatory and Technical Committee. These meetings were geared primarily towards preparing a Request for Proposal (RFP) including Terms of Reference to engage a Project Manager to lead the DSO project. The team from the SMA gave the required input regarding the spectrum matters and at the end of the FY the first draft of the RFP was completed. It is anticipated that subject to approval from the national DSO Steering Committee, which is chaired by the Minister of Information, the RFP will be posted in the public domain during the first quarter of the 2021/22 FY.



Information Technology Infrastructure

In light of the Covid-19 pandemic and the subsequent work-from-home measures which were ordered by the Prime Minister for the public sector during the fiscal year, the SMA responded with resilience and ensured that the business of spectrum management was not adversely impacted. The Information Technology (IT) Department provided requisite support to all staff and Board Members, who were assisted with devices and /or software access to enable connectivity with the SMA’s platforms. Additional information technology works during the fiscal year included the following:

- **PBX – Avaya Aura** –A new Private Branch Exchange (PBX) system was installed to further enhance communications within the organization. With the implementation of the Work-From-Home Policy, the Avaya system allows for remote worker configurations to ensure that staff members remain connected while not in office via their CUGs. Therefore, if a call to an employee’s office extension is not answered, the call is then routed to their mobile phone.
- **Server Room Upgrade** – By the end of the FY, the SMA completed extensive work regarding the upgrade to the existing server room at the Authority’s headquarters. In addition to the Network-Attached Storage (NAS) and servers purchased in the previous FY, the department also purchased a 20KVA UPS. This implementation allowed for increased efficiency and resilience to the

network. Additionally, a NAS and core switch were installed and configured for the disaster recovery site at eGov Jamaica Limited.



Regional and Global Obligations

As part of its objectives, the SMA participates in regional and global fora to meet international obligations and foster collaborative efforts where possible. During the 2019/20 Fiscal Year, the Authority remained committed to honouring its regional and global obligations, particularly those held by the Caribbean Telecommunications Union (CTU), InterAmerican Telecommunications Commission (CITEL), International Telecommunications Satellite Organization (ITSO), and the International Telecommunications Union (ITU). Highlights of our main engagements are as follows:

Permanent Consultative Committee II (PCC II) Meeting

During the period November 30 to December 3, 2020, members of the SMA's technical team virtually attended a scheduled week of meetings for CITEL's 36th PCC II Meeting. The meeting focused on CITEL's preparation for World Radiocommunication Conferences in 2023 (Agenda item 3.1), the implementation of decisions at WRC-19, and coordinating current spectrum management issues. The PCC II meetings carry out their function through the different working groups that include the Working Group on Terrestrial Services; Working Group on Spectrum Management; Working Group on Satellite Systems and Science Services; and Working Group on Radio Broadcasting.



International Telecommunication Satellite Organization (ITSO)

ITSO – Specially Convened Meeting of the AP

The International Telecommunications Satellite Organisation (ITSO), an inter-governmental organisation responsible for managing Intelsat, a global communications satellite provider, hosted a specially convened meeting of the Assembly of Parties (AP) of ITSO on June 2, 2020 to discuss Intelsat's bankruptcy status. The need for the meeting arose due to the fact that on May 13, 2020, Intelsat filed for bankruptcy protection with the Virginia Bankruptcy Court under Chapter 11 of the US Bankruptcy Code, increasing the organisation's fear that the operation would make Intelsat's fulfilment of its public service obligations unviable. Ms. Wahkeen Murray, Chief Technical Director (CTD), MSET, and a SMA team led by the Managing Director, were participants at the meeting which was held virtually. Present at the meeting were delegates from 148 countries, where discussions were had on the circumstances of Intelsat's bankruptcy and its implications for the ITSO states. The Director General, Mr. Patrick Masambu asked each member party to provide a letter in support to ITSO's request for relief to the Court. With Ms. Murray having been present, the MSET would refer the request of the Director General to the Minister/Ministry for action.

ITSO – 39th Extraordinary Meeting of the AP

On August 27-28, 2020, the Managing Director, the Director of Legal Affairs, along with Ms. Wahkeen Murray, CTD (MSET), together formed the Jamaican delegation in attendance at the ITSO 39th

Extraordinary Meeting of the Assembly of Parties (AP-39). The AP-39 was held virtually due to the coronavirus pandemic and travel restrictions. While several issues were addressed during the meeting, such as: the election of the Chairman and other Officers of AP-39, the appointment of the Credentials Committee and the report of the Credentials Committee, the focus was on Intelsat's bankruptcy status.



Spectrum Management Task Force

The Spectrum Management Task Force (SMTF) is the multi-stakeholder group convened by the Caribbean Telecommunications Union (CTU) to coordinate the technical work of harmonizing and enhancing the management of the radio-communication spectrum in the Caribbean. Membership of the SMTF includes Caribbean policy-makers, regulators, operators, academics, technology developers, end users and other stakeholders. At the 2020 May Planning Meeting of the SMTF, involving some 30 participants from 12 Caribbean territories, Dr. Maria Myers-Hamilton – Managing Director and Mr. Lyndel McDonald – Manager, Telecommunications Systems, were elected as co-vice chairpersons for the 2020 – 2022 term.

On November 16-17, 2020, the Spectrum Management Task Force met virtually to further its agenda in accordance with the Caribbean Spectrum Management Strategic Plan. The Meeting addressed the following agenda matters:

- a. Status overview of 2020 Action Plan items;
- b. Progress band planning/harmonisation exercises for identified priority spectrum bands e.g. for 5G, emergency communications, etc.
- c. Query and questionnaire from ANFR (France) re the 3400 – 3800 MHz band for 5G;
- d. Regulatory harmonisation proposal from Loon re their balloon-delivered broadband and emergency communications services;
- e. Review spectrum pricing: approaches / proposals for common frameworks, and;
- f. Commence preparations for WRC 2023.

Implementation of the strategic plan is being undertaken in phases and coordinated regionally through the work of the Spectrum Management Steering Committee (SMSC) and the multi-stakeholder Spectrum Management Task Force (SMTF).



Corporate Social Responsibility

As part of the Authority's convention of integrating social and educational development goals into its business operations, several programs were financially supported and endorsed by the SMA during the FY. It is the Authority's aim that through the support of these initiatives, there will be improvements in the social, educational and environmental strata of the society. More specifically, the SMA is committed to capacity building and youth development within its surrounding community.

Due to the impact of Covid-19 and the challenges it brought to business operations



Fig 2: A representative of the CEW Foundation receiving the Christmas donation from Ms. Jheanelle Hemmings, Human Resources Officer on behalf of the SMA.

islandwide, it was not possible to fulfill the usual social and educational engagements. Nevertheless, within the parameters of the Disaster Risk Management (DRM) Act and its subsequent Enforcement Measures, the SMA made efforts to assist where it could and made itself present in several virtual fora. The following were some of the organizations the Authority supported throughout the 2020/2021 financial year:

- Sagicor Foundation, Sigma Run
- Missionaries of the Poor
- Combined Disabilities Association
- Cosmetic Executive Women (CEW) Foundation
- Higholbourn Street Basic School



COVID-19 Response

As the COVID-19 pandemic continued to impact the local and international community, several changes were exercised within the SMA during the FY 2020/21 as a means to curb the spread of the virus. Through the Administration Department the following amenities were implemented:

- Installation of hand sanitizing stations at strategic points throughout Headquarters;

- Distribution of disposable masks and disinfectant wipes to members of staff;
- Increased cleaning of Headquarters throughout the day;
- Deep cleaning procedure of Headquarters;
- Sanitization of the car park and placement of disinfectant mat to be utilized by all patrons;
- Placement of external sink and hand soap for persons to use before entering the building;
- Temperature checks before entering the building;
- Placement of all Ministry of Health and Wellness infographics throughout Headquarters to remind persons of guidelines;
- Dissemination of GoJ's Disaster Risk Management Acts to all staff;
- Change in protocols regarding the delivery of packages which should be left at the front desk to be sanitized and managed before being delivered to respective staff members.

In addition to these measures, management also reduced the in-office staff complement to merely a core team of 10-15 members under the mandate of the GoJ's DRM Act. This, therefore, allowed for the Work-From-Home Policy to be completed during the period under review. This policy highlighted the protocols and guidelines for working remotely.



Budgetary Proposal for Financial Year 2021/22

For the financial year 2021/2022, the SMA's approved budget of \$1,284.88M is as follows:

- Capital Expenditure \$666.49M
- Operating Expenditure \$618.39M

Table 5 – Summary of Principal Performance Targets for 2021/22

	Target	Key Performance Indicator (KPI)
Income	\$619.87M	90% of Target
Spectrum licence fees collected	\$1,476.96M	80% of Target
Spectrum licence fees remitted	\$1,476.96M	Remit all fees collected up to Feb. 2022 and Mobile Fees collected in Mar. 2022
Expenditure	\$618.39M	Within Target
No. of licences to be renewed	485	85% of Target
Number of interference cases resolved	All Reported Cases	90% of Target





Closing Remarks

The 2020/2021 fiscal year was a year of unprecedented challenges caused by the COVID-19 pandemic; however, the Board of Directors is pleased to have provided directional support for the SMA team through another successful year, marked by several significant achievements. The SMA once again demonstrated its resilience, creativity and determination to carry out its mandate and to provide customer-oriented service to our valued clients, notwithstanding the challenges. The year has taught us that a company's success, especially within uncertain times, relies heavily on the stability and efficiency of its operations. During the year, we have seen that constant change in external factors can topple companies lacking foresight. Therefore, as a Board, we

must ensure that the Authority grows in its agility, with good adaptability and planning to ensure the survival and growth of the organization.

The Board of Directors commits to working relentlessly to ensure that the SMA continues to fulfill its mandate and advance closer to its corporate goal, which is to regulate effectively to the benefit of the citizenry of Jamaica. The BoD also takes this opportunity to thank the dedicated management and staff for the achievements secured during the 2020/21 fiscal year. To our stakeholders, the SMA thanks you all for your support and cooperation throughout the year, and looks forward to another productive year of collaboration and improvements. Finally, we thank the team at the MSET for their continued support and look forward to the 2021/22 FY working together.

Mr. Edward Gabbidon
Board Chairman

Dr. Maria Myers-Hamilton
Managing Director

DIVISIONAL REPORTS



Engineering Division



Information Technology Department



Policy & Strategic Planning Division



Legal Affairs Division



Managing Director's Office



Human Resources & Office Services Department



Operating Systems &
Special Projects Department



Finance & Administration Division

DIVISIONAL REPORTS

Within the SMA's functional structure, employees are divided into Divisions and/or Departments that each handle activities related to a functional area of the business, such as engineering, legal, policy, finance and human resources. The nature of the entity's interaction with and services to the public lends to cross-departmental collaboration that allows the SMA to provide good customer service and become more efficient as an organization. For this to be successful, employees must excel in communication and teamwork, and several initiatives, such as the "Cultural Alignment" programme,

have been embarked on to ensure that this is understood and appreciated within all divisions and departments of the company.

The SMA's operations are divided along functional lines into five divisions, namely: Spectrum Engineering, Legal Affairs, Policy & Strategic Planning, Finance & Administration and Human Resources. During the 2020/21 FY each division, through their different functional responsibilities, contributed to the SMA's creditable performance for the period. The following represents the highlights of the activities of the Divisions.



SPECTRUM ENGINEERING DIVISION

The Spectrum Engineering Division (The Division) is focused on the mitigation of interference, frequency and band sharing, and spectrum refarming. The Division is staffed by ten (10) persons, including nine (9) engineers, who are shared between two (2) departments: Band Planning and Inspection & Monitoring.

BAND PLANNING DEPARTMENT

The Band Planning Department within the Engineering Division is responsible for the planning and assignment of radio frequencies to meet the demands of existing and emerging technologies and services. The Department assigns frequencies after detailed technical analyses and/or reviews, using state-of-the-art engineering analysis tools and best practices to foster efficient use of the scarce resource of the spectrum. The Department also plays a key role in local, regional, and international regulations by supporting the MSET in work pertaining to CITEL and the ITU.

The Team is committed to the efficient management of the radio frequency spectrum, through frequency assignment and diligence in the following key activities:

- (i) Research current best practices in spectrum management to ensure application review is comprehensive to include the technical, regulatory, and financial impact on the industries served.
- (ii) Constant training through webinars, books, online and face-to-face interactions regarding existing and new technologies to ensure technical assessments are accurate.
- (iii) Collaboration with industry stakeholders to ensure customer requirements are clearly understood and met.
- (iv) Keeping abreast of the work of CITEL and the ITU to ensure local practices, standards and regulations are congruent with ITU/CITEL's standards and regulations.

Activities for 2020/21

During the period under review, the department, like many others, was forced to adapt to the various GoJ protocols in light of the COVID-19 pandemic, including the mandate of remote working. Although remote working was a new experience, the team was well prepared for such an environment as the department had migrated key operational areas virtually, through the Microsoft SharePoint platform, for several years. This facilitated a seamless transition to remote working, which resulted in the team maintaining its high operational efficiency. Despite this move, some challenges were still experienced, as some aspects of the department's workflow required the team's physical presence in the office. Ultimately, with the great administrative assistance received throughout the period, the department was able to successfully achieve all established objectives.

Significant strides have been made in the development and improvement of our technical analysis framework along with completed draft technical operating guidelines for several services. These guidelines are integral to the efficient regulation and licensing of the services offered. Additionally, given that the Department is constantly in a mode of growth and development, two (2) major trainings were completed over the period, which has led to significant improvements in our understanding of fixed, satellite, and broadcasting networks at both the practical and theoretical levels.

The department also completed an extensive review, in collaboration with the Licensing Department, of the Fixed Service licenses through the license renewal process. This work also resulted in significant improvement in the microwave database management operations of the department which will result in improved interference analyses in the coming period.

As mobile data demand continues to increase, especially due to the pandemic, mobile operators are constantly reviewing and reengineering their networks to meet this demand. The department played an integral role in the technical evaluation of mobile and fixed wireless access broadband applications over the period.

The mobile spectrum bands such as 700 MHz and 1900 MHz were in high demand as operators sought to increase their coverage area and network capacity to meet the demands brought on by COVID-19. While the department was able to satisfy the demand through careful technical review, there were policy constraints that impacted the operators' access to the available spectrum.

Challenges and Mitigation Strategies

The Department generally faces two types of challenges; one being with the main database management system, the Automated Spectrum Management System (ASMS), and the other being the legislative framework under which the Authority operates.

Firstly, the current database system used

to manage the technical and administrative data has caused challenges throughout the year. Operations are sometimes halted or delayed due to data being corrupted or features malfunctioning during application processing. Considering this challenge, the department has advocated for a revision or replacement of the system to an improved programme that will facilitate more efficient management of all types of customer data and services. This new system will see the integration of the technical and administrative workflows, leading to an overall improvement in output.

Secondly, as the current legislative framework is dated, attempting to manage current technologies such as Fixed Satellite Services, High Bandwidth Microwave Systems, 5G New Radio and Digital Terrestrial TV services has proved to be challenging. Some of these technologies were not conceived at the time the framework was developed and so we are constantly trying to apply old regulations to new technologies. Consequently, the department actively contributed to efforts geared towards revising the legislative framework to meet the demands of new and existing technologies.

Achievements of the Department

The department had several achievements that strengthened its operations and outcomes. Some of which are highlighted below:

- (i) The successful drafting and internal acceptance of the technical guidelines for General Mobile Radio Service (GMRS), Private Mobile Radio (PMR)

and Family Radio Services (FRS). The Department continues to champion these guidelines to the point of approval and implementation as we believe that establishing these guidelines will improve spectrum management and regulations.

- (ii) The successful completion of critical training saw the improved understanding of Fixed, Satellite and Broadcast networks. These training sessions came at a time when the country is actively working towards the transition from analog TV to Digital TV.
- (iii) The successful processing of applications within the agreed timelines. That is, greater than 80% of all applications were processed within the agreed timelines.

Looking Ahead 2021/22

The Band Planning Department continues to grow technically as we meet the demands of the industries we serve. With the rise of satellite communication technologies, the Internet of Things (IoT) and the advent of 5G technology globally, the team continues to prepare for the proliferation of such services in Jamaica through the following activities:

- Contributing to the implementation of the new pricing framework to foster and encourage competition in the market; Keeping abreast of the ITU research and discussions surrounding these services to ensure when such services are introduced in Jamaica, the technical and regulatory support necessary for the benefit of all will be available;
- Contributing to the development of the relevant technical frameworks to support

the planned Digital Television Switchover scheduled to commence in 2022;

- Continued training and development in the new and emerging technologies such as 5G and Internet of Things (IoT) in preparation for regulation of such services;
- Providing the necessary technical support with respect to the work of CITEL to the MSET.

Additionally, in preparation for the introduction of the new e-Licensing System, the team has been working assiduously and is near completion of the update of the fixed service microwave database, which will facilitate the smooth migration of data from the existing ASMS. The department is also strengthening its capacity to regulate satellite networks through close collaboration with regional administrations, industry experts and the International Telecommunications Union (ITU). Moreover, the work continues in improving Jamaica's compliance with ITU regulations in the notification and recording of radio transmissions, both for space and terrestrial services. This will be further enhanced through the modification of our current application processing workflow which will see the process being automated.

MONITORING & INSPECTION DEPARTMENT

The Monitoring and Inspection Department of the Spectrum Engineering Division is composed of three (3) Telecommunications Engineers, two (2) Consultants and the Manager of the department. There are four (4) core responsibilities of the Monitoring and Inspection Department. These are:

- Operation and maintenance of a total of eleven (11) Radio Monitoring and Direction-Finding Systems (RMDFS), which comprises 9 Fixed RMDFS sites and 2 Mobile RMDFS units;
- Investigation of Interference Cases or complaints;
- Site inspection;
- Managing and processing of Type Approval applications.

Major Activities for 2020/21 The RMDFS Sites

The RMDFS sites are critical tools used in monitoring the spectrum, therefore having the systems fully operational is a top priority. During the 2020/2021 FY, the monitoring sites were relatively stable with minor repairs conducted for one site only. All RMDFS sites were fully operational during the year. The Monitoring Team implemented a rigorous maintenance schedule during the year where daily detailed health checks were performed on the electronic equipment at all the sites. Each site was visited once per month to carry out detailed on-site maintenance.

Monitoring of the Radio Frequency Spectrum

Monitoring of the radio frequency spectrum to identify unauthorized use, confirm compliance with the terms and conditions of licences and to determine conformity with applicable standards is a daily activity conducted by the Monitoring Team. During the fiscal year 2020/2021, fifteen (15) spectrum audits were conducted in the parishes of St. Ann, Hanover, Clarendon, St. Elizabeth, St. Mary, Manchester, St. Thomas, Portland, Kingston and St. Andrew. Two (2) illegal users of the spectrum were identified. Modulation levels were checked for 166 FM signals during the period and eighty-one (81) signals were found to be over-modulating. It should be noted that some signals required frequent checks during the fiscal year.



Fig 3. Philmore Trowers, Manager – Monitoring & Inspection Department, giving an overview of the Scorpio monitoring software and the monitoring drone.

Interference Investigation

The Monitoring and Inspection Department investigated twelve (12) cases of interference during the 2020/21 FY, with one (1) case being brought forward from the 2019/2020 financial year which is being addressed at the strategic level. As at March 31, 2021, there was one case pending. Of the 12 cases reported, 11 were resolved as at March 31, 2021, within their respective resolution times. This represents 100% compliance against a KPI of 90%. The M&I Department continues to work closely with the Broadcasting Commission, Jamaica Civil Aviation Authority (JCAA) and FM Broadcasters to take a proactive approach regarding the identification and resolution of interference in the aeronautical frequency band.

Site Inspection

During the period, the Department conducted thirty-three (33) radio site inspections. Great emphasis was placed on FM broadcasting sites due to their high transmission power levels and the FM frequency band being adjacent to the aeronautical band which at all times must be free from harmful interference. The most common issue identified during the site inspections was the overmodulation of broadcasting FM signals.

To better deal with the overmodulation of the FM broadcasting stations, the SMA procured five (5) modulation meters and antennas that will be installed at the RMDFS sites to enable remote modulation testing. These meters and antennas are able to verify whether the modulation levels of the transmitters are within the specified limits and will not cause harmful interference to other spectrum users.

Type Approval

During the year under review, 296 applications were received reflecting a decrease of 15.2% when compared to the previous period. Despite the decline in the applications received, which is due to the impact of the pandemic, resulting in the closure of businesses, it is also envisioned that this figure will increase given the need or demand for wireless devices using the 5G technology. The department anticipates an inevitable increase in the number of Type Approval applications based on emerging technologies and the evolution of the ICT Industry. Further, the forecasted e-Licensing System to be implemented in the 2021/2022 period, will be an important resource towards improving general efficiencies and a reduction in the application turn-around time.

Outlook for FY 2021/2022

The radio frequency environment is changing rapidly with new IoT devices and the demand for spectrum continues to increase. The Monitoring and Inspection Department acknowledges that the radio frequency environment is becoming more and more complex, and further acknowledges the need to be equipped with state-of-the-art frequency monitoring tools and highly motivated engineers that understand the ever-changing RF environment. It is envisioned that technologies such as 5G will change some of the monitoring techniques and tools currently being used by the department; preparation is being made for such changes. For the 2021/2022 fiscal year, the department will be focusing on:

- Researching new monitoring tools available for technologies such as 5G;

- Evaluate current monitoring tools to determine how they will be impacted by the change in environment;
- Ensuring engineers are properly trained and performing their duties at the highest level;
- Installing FM modulation meters at selected fixed RMDFS sites to enable remote monitoring of FM broadcasting sites;
- Increased frequency monitoring of microwave signals;
- Expansion of SMA's microwave network;
- Expansion of RMDFS network with three (3) additional sites.



LEGAL AFFAIRS DIVISION

The Legal Affairs Division (the Division) is responsible for the legal and regulatory portfolio of the Spectrum Management Authority ('the SMA'). This includes assessing the operations of the SMA and ensuring that all activities are within the framework of existing legislation. The work of the Legal Division forms a crucial part of the licensing process and interactions with our many clients, existing and proposed, in keeping with the Telecommunications Act, 2000 and the Access to Information Act, 2002. Some of the Division's core functions are:

- To provide timely advice on legal implications of all matters;
- Ensure that the SMA meets its compliance obligations;
- Develop recommendations to create the regulatory framework;
- To ensure that enforcement is carried out in a timely manner.

Major Achievements of the Division for 2020/2021

In keeping with the mandate of the SMA, the Legal Division continues to play a key role within the company by providing consistent support. The Division's main achievements for the year 2020/2021 are as follows:

- The Division provided timely actions needed to minimize outstanding balances of delinquent accounts to sustain the SMA's revenue source. A total of thirty-eight (38) clients were referred to the Division during the 2020/2021 period with outstanding balances totalling J\$575,020.00. Of that sum, J\$318,000.00 was collected for the year, J\$218,700.00 of that sum related to licences that were cancelled during the period, while the remaining outstanding balances totalling J\$38,320.00 were treated in accordance with the SMA's Collections Policy.
- During the period, two hundred-thirty (230) new applications were received and two hundred-seventeen (217) licences granted. Additionally, the Division renewed four hundred and forty-nine (449) licences.
- Nineteen (19) requests for authorisations were received and certification granted as required.
- More than fifty-five (55) contracts were drafted, negotiated and executed in relation to the activities of the SMA during the year by the Division.
- The Division, in executing its given mandate, was instrumental in the preparation of a Request for Proposal for Licence in the 700 MHz Band 13.
- The Division was integral in the collaboration between the SMA and the Jamaica Customs Agency to streamline strategies and responses relating to the importation of radiocommunication equipment in order to reduce incidents of unauthorised and/or prohibited equipment from being imported for use in Jamaica.
- The Division in October 2020, renewed the Memorandum of Understanding with Maritime Authority, which included a number of new provisions such as the maintenance of Marine Mobile Service Identity (MMSI) numbers in accordance with the International Telecommunication Union (ITU) Recommendation ITU-R M.585-8 - Assignment and use of identities in the maritime mobile service issued in 2019; extension of the validity period of temporary licences consistent with the provisional registration of a ship and the provision of electronic licences immediately upon issue and dispatch thereafter within twenty-four (24) hours, thereby enabling ships to maintain valid licences.
- The Division spearheaded the application review process of ten (10) applications received by the SMA for domestic mobile, wireless broadband and VSAT spectrum licences. This application review process is designed to ensure efficient utilisation and assignment of the spectrum in accordance with international best practices and statutory requirements. The Division ensured the applications were processed in keeping with the SMA's mandate and the requirements of the

Telecommunications Act.

- The Division continues to employ enforcement measures through inspectors gazetted under the Radio and Telegraph Control Act and the Counter-Terrorism and Organized Crime Investigation Branch (C-TOC) to carry out permissible enforcement actions under the law. The Division's actions are guided by the provisions of the Radio Telegraph and Control Act, Telecommunications Act and the Broadcasting and Radio Re-diffusion Act.

Other Achievements of the Division

The Division continues to meet the Access to Information (ATI) reporting requirements and requests within the statutory timeframe during the period. Additionally, even more so during the pandemic, the Division continued to play key roles within the daily operations of the SMA and provided consistent support to other Divisions and Departments. Below are some of the other activities in which the Division was engaged:

- The Division, in providing support for the expansion and upgrade of the SMA's RMDFS fixed sites, prepared and reviewed lease agreements and provided advice on the negotiation of terms and conditions to be included in the lease agreements. The Division worked closely with the Engineering Division to ensure that lease agreements were renewed in a timely manner and that the negotiations for new site locations were done considering commercial terms in the best interest of the SMA.
- Participated and contributed to discussions relating to the Fair Trading

Commission's assessment of the level of competition in the Telecommunications industry.

- The Division was instrumental in the development of a Ministry Brief: 'Mobile Network Operators and the Perception of Harmful Electromagnetic Radiation from Cellular Sites', which was submitted to MSET in December 2020.
- The Division contributed to the preparation of technical guidelines such as Requirements for Fixed Service (Point to Point) Systems and Framework for FM Broadcast Stations.
- Participated in and contributed to the preparation of guidelines aimed towards facilitating the continuation of work as a result of the exigencies of the COVID-19 pandemic, such as Flexible Work Policy and Guidelines for Staff Working From Home & In Office.
- The Division participated in and was an integral part of several consultative processes resulting in the preparation of policy/frameworks such as the Spectrum Pricing Policy and Framework which was approved by Cabinet in March 2021. Additionally, the Division made its contribution to the development of a draft Spectrum Holdings Policy consultative document and Spectrum Screen position paper in collaboration with the Fair Trading Commission and Office of Utilities Regulation.
- Following the passage into law of the Data Protection Act, 2020 in June 2020, the Division undertook an extensive review of the Act. Whilst the Act is not yet promulgated, the Division found it prudent to commence providing guidance on the general principles for the treatment of personal data, and oversight that will

ensure the SMA strengthens its protection of personal data under the Act.

The Division, in ensuring that the SMA's mandate is fulfilled, continued its partnership with the Engineering Division to keep track of Broadcasters' Authorisations and issued renewal notices to all broadcasters prior to the expiry of the authorisations. The Division issued formal notices to broadcasters whose authorisation expired, directing them to provide the SMA with the necessary information required to renew their Spectrum Authorisations; failing which the broadcasters were no longer authorised to use the spectrum. As a result, more than 80% of those broadcasters with expired authorisations renewed their authorisations or commenced the renewal process.

The Division's Outlook for 2021/2022

For the upcoming year, the Division is focused on continuing to fulfil its obligations in directing and coordinating the legal activities of the SMA, so it may achieve its vision, mission and goals. More importantly, the Division is hopeful for improvements to the Legal and Regulatory Framework by which the SMA is governed to address modern realities. The Division's objectives and outlook for the upcoming 2021/2022 FY are set out below:

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modern realities. The Division's objectives and outlook for the upcoming 2021/2022 FY are set out below:

- To ensure timely renewal and issuance of licences within the specified timelines and maintain its KPIs.
- To continue to develop, revise and update the terms and conditions of spectrum licences, authorisations and certifications in order to ensure that they are in keeping with international best practices and the policies of the GoJ.
- To contribute to amendments required to Regulations of the Radio and Telegraph Control Act subsequent to Cabinet approval for a modern spectrum management framework with an appropriate and effective spectrum holdings policy and spectrum fee refund policy.
- To contribute to the delivery of modern legislation being promulgated to repeal, replace and update the Telecommunications Act and Radio & Telegraph Control Act.
- The Division aims to meet targets 95-100% of the time within specified timelines and maintain its KPIs.
- To sustain efficiency in respect of company secretarial duties, contractual obligations and statutory compliance. Ensuring that the SMA meets all of its obligations under relevant laws and requirements of regulatory authorities.
- To keep abreast of legal trends and new developments which impact the SMA.

The Division will continue to work closely with the MSET and the Managing Director to make recommendations regarding amendments to legal policies and frameworks.



POLICY AND STRATEGIC PLANNING DIVISION

The Policy & Strategic Planning Division (“the P&SPD” or “the Division”) has the responsibility of coordinating policy responses/recommendations to the MSET, translating related GoJ’s goals and objectives into corporate goals, strategies and objectives of the SMA in order to ensure the most efficient management of the spectrum. Once the plans have been developed, the division is responsible for monitoring, getting feedback and reporting on the performance of the SMA to the relevant stakeholders. The Division also facilitates comments/responses to other government agencies/bodies, such as the Office of Utilities Regulation (OUR), the Broadcasting Commission of Jamaica, the Fair Trading Commission (FTC), etc based on their request. Additionally, the P&SPD plays a lead role in responding to queries submitted by regional and international organizations/bodies.

Team Composition

The responsibilities of the Division are carried out by a team headed by the Director of Policy & Strategic Planning, with support from the Manager – Policy & Strategic Planning; the Manager – Telecommunications Systems; and the Administrative Assistant. Based on the nature of the Division’s responsibilities, close collaboration is maintained with all divisions and departments within the organization, to aid in achieving the Division’s and by extension, the SMA’s objectives.

Main Activities for 2020/21

During the 2020/21 FY, the Division pursued a number of policy, regulatory and planning initiatives, which were geared towards advancing the SMA closer to its strategic goal and objectives, and achieving/facilitating Jamaica’s policy positions, primarily as articulated in the Information and Communication Technology (ICT) Act, 2011. The Division met with much success during the period under review, overviews of which are provided below.



Spectrum Pricing Policy



Mobile Spectrum Holdings Policy



ISO-9001:2015 Certification Initiative



Corporate Strategic and Operational Plan and Budget



700MHz Band 13



36th CITES PCC II Meeting

- **Spectrum Pricing Policy** – During the fiscal year, the Division participated in the SMA's review of the pricing of spectrum in certain bands for specified services. The Division was integral in the consultation process, which provided an opportunity for stakeholders to comment and influence how prices for spectrum are determined in Jamaica, as well as the mechanism to be utilized. The Division participated in facilitating recommendations to the MSET, with regards to the pricing policy for Jamaica, particularly in relation to the mechanism to determine prices for mobile services, microwave point-to-point services and point-to-multipoint services, as well as satellite services. These recommendations were presented to the Ministry of Finance and the Public Service by the SMA and by the MSET. Subsequently, the policy was presented to Cabinet by the responsible Minister for Telecommunications, the Hon Daryl Vaz, in collaboration with the SMA, for which approval was granted in 2021 March.
- **Review of the Mobile Spectrum Holding Policy** – Further to the World Radiocommunications Conference 2019 (WRC-19) which was concluded on 2019

November 22, the Spectrum Cap Policy (the Cap), with the Division taking the lead role, was reviewed during the period. The SMA utilized the opportunity to collaborate with the Fair Trading Commission (FTC) who conducted a competitive analysis of Jamaica's telecommunications market, on behalf of the SMA. The review and recommendation for a Spectrum Screen to be developed in place of the Spectrum Cap, was submitted to the MSET. The framework for the consultation, recommendations and implementation of the Screen was being developed at the end of the fiscal year.

- **36th CITES PCC.II Meeting** – During the period November 30 to December 3, 2020, members of the Division virtually participated in a scheduled week of meetings for the 36th Meeting of CITES's Permanent Consultative Committee II (PCCII). The meeting focused on CITES's preparation for the World Radiocommunication Conference in 2023 (Agenda item 3.1), the implementation of decisions at WRC-19, and coordinating current spectrum management issues. Several Working Groups provided reports on activities and events that were in

progress. These groups include: Working Group on Terrestrial Services; Working Group on Spectrum Management; Working Group on Satellite Systems and Science Services and Working Group on Radio Broadcasting.

- **700 MHz Spectrum Band** – During the period January – March 2021, members of the Division provided support in the drafting of a Request for Proposal (RFP) for the assignment of 20 MHz of 700 MHz (Band 13) mobile spectrum, based on policy positions of the GoJ. The sale of the spectrum was particularly to aid in the development of broadband technology in Jamaica and to further facilitate a technology enabled society, an outcome of the 2030 Development Plan. Further, the Division gave full support in managing the Tender Process.
- **ISO-9001:2015 Certification** – During the FY, Manager – Policy & Strategic Planning spearheaded discussions with the ISO Quality Systems Division of the Ministry of Industry, Commerce, Agriculture and Fisheries (MICAFA), with a view to pursuing ISO 9001:2015 Certification for the SMA. During November 2020, February and March 2021, the P&SPD in collaboration with the Human Resources Division customized a series of training for the staff on “Understanding the Requirements for the ISO 9001:2015”.
- **Caribbean Telecommunications Union (CTU)** – During the year, members of the Division participated in several meetings of the Spectrum Management Task

Force (SMTF), which were hosted by the Caribbean Telecommunications Union (CTU) during May and November 2020. These meetings essentially focus on the Caribbean Spectrum Management Strategic Plan, and the CTU’s mandate to the SMTF is to coordinate the technical work of harmonizing and enhancing the management of the radio-communication spectrum in the Caribbean. At the meeting in May 2020, which involved about 30 participants from 12 Caribbean territories, Jamaica, by way of the SMA was elected as Co-Vice Chair for the SMTF’s 2020 – 2022 term.

- **Corporate Strategic & Operational Plan** – 2021/22 to 2024/25 – In fulfilling its obligation to the Government of Jamaica through the Public Bodies Management and Accountability Act, the PSPD collaborates with all divisions to prepare the Corporate Strategic and Operational Plan and Budget (“the Plan”) for the period 2021/22 to 2024/25. The Plan was successfully submitted for approval to MSET and MoF&PS within the established reporting timelines with the first draft due on November 30, 2020 and the revised Plan on December 30, 2020, respectively.
- **Annual Report for the Fiscal Year 2019/20** – The P&SPD facilitated the preparation and production of the SMA’s Annual Report for the fiscal year 2019/20 and adopted the guidelines for submission of documents to Parliament established by the Clerk to the Houses on December 4, 2013. The report was completed and submitted to MSET and MOF&PS

precisely on July 31, 2020 and tabled in the Honourable House of Representatives on October 13, 2020. The Annual Report for the 2019/20 FY was subsequently published on the SMA's Website.

- **Preparation of Performance Reports** – The Division throughout the FY, continued to facilitate the SMA's compliance in relation to statutory requirements, ensuring the submission of required reports to include monthly, quarterly and half-yearly reports, and Ministry Paper. All reports were completed and submitted to MSET and MoF&PS within a timely manner as required.
- **Public Awareness Campaign** – The SMA embarked on a public awareness campaign to promote its brand and to sensitize the public of its role and responsibilities in the management of the spectrum. The Division, mainly through its Manager – Policy & Strategic Planning, played an integral role in the public sensitization and awareness campaign

of the SMA brand. Through a joint effort with the Jamaica Information Service (JIS), promotional materials were distributed through Radio, Television, Outdoor Advertising, Web Banners, the SMA's Website, Social Media Platforms and a Bus Wrap in the city of Montego Bay, St. James. The campaign is ongoing and will continue in the 2021/22 fiscal year.

Other recommendations and contributions made by the Division with respect to policies, plans and strategies in accordance with local and international best practices are as follows:

- Telecommuting Work From Home Policy – June and July 2020;
- Information Security Management System Policy – October 2020;
- Human Resources Policies and Procedures – July 2020;
- Technical & Regulatory Committee of the national Digital Switch Over (DSO) Committee;
- National Broadband Strategy Committee;

Fig 4: Bus Wrap of the Montego Bay Metro Bus as part of the SMA's public awareness campaign.



- Technical Framework document for FM Broadcasting;
- Technical Standards and Guidelines for FM Broadcast consultation;
- Provided guidance on Wi-Fi Services in the 6E Band;
- Participated in ITU's Regional Radiocommunication Seminar 2020 for the Americas (RRS-20 Americas), July 13-24, 2020;
- Contribution of article to FTC's Annual Newsletter;
- Contributed to discussions on National Cyber Security Policy;
- Research findings on regulatory efforts during covid-19;
- Research on licensing of weather radar systems;
- Prepared Ministry Brief regarding the Perception of Harmful Electromagnetic Radiation from Cell Sites;
- Provided research findings on revocation and relinquishing of licence;
- Research on regulatory efforts during covid-19; and,
- Research on licensing of Weather Radar Systems.

Outlook for the Upcoming Financial Year

The Policy & Strategic Planning Division remains committed to providing the necessary support to the policy, regulatory and planning processes as required by the SMA. Notwithstanding the challenges that exist, the Division anticipates a successful 2021/22 fiscal year, and will be focusing on the following:

- Continuing to align its efforts in tandem with Jamaica's Vision 2030 Plan and the mission of the SMA;
- Preparing the respective reports for the FY 2021/22 (monthly, quarterly, half yearly, and Ministry Paper) to comply with the requirements of the Public Bodies Management and Accountability Act and making presentations as required;
- Leading the charge in the preparation of the Corporate Strategic and Operational Plan and Budget for FYs 2022/23 to 2025/26;
- Continuing its thrust to research, review and make recommendations on policies and procedures in accordance with the best practices/standards on a needs basis;
- Representing the SMA and Jamaica at regional and international meetings, as needed;
- Evaluate and influence performances through monitoring, reviewing and interventions as needed; and,
- Collaborating with key stakeholders to the benefit of the industry.



HUMAN RESOURCES & OFFICE SERVICES DEPARTMENT

The Human Resources and Office Services (HR&OS) Department is responsible for the human resources portfolio of the SMA. This involves formulating strategies to ensure that employees' potential at the SMA are maximised. This department is also responsible for performance management, training, employee benefits and all matters related to staff welfare and development. Additionally, the department oversees the SMA's public relations and communication; and plays the leading role in the organization of events for the SMA.

With the emergence of COVID-19 and in keeping with the GoJ's orders pursuant to the Disaster Risk Management Act, changes were made to the SMA's daily operations where the Department had to employ new measures in order to remain efficient in executing daily functions. Some of the measures employed during the period were:

- Work from home arrangements for staff
- Changes to work flow processes
- Implementation of safe, hygienic guidelines for staff working in and out of office
- Implementation of sanitization stations in every department across the organization
- Procurement of boxes of masks issued to all staff

As the year progressed and the effects of the pandemic began to take a toll on staff, the department sought to ensure that the team spirit was maintained and employees were engaged at every opportunity. On July 3, 2020, a Wellness Day for staff was held, where they could have complete health checks conducted by the Diabetes Association of Jamaica. Arrangements were also made on December 4, 2020, for a one-day in-house counselling session conducted by a clinical psychologist, where staff members were able to discuss issues

addressing anxiety, stress, depression and exhaustion. This was followed up by encouraging staff members to utilize their health cards for continued counselling sessions. Constant communication was maintained with employees, particularly those who were working from home, and during the year two (2) virtual Staff Meetings were held where each employee had an opportunity to express how any aspect of the pandemic was affecting them and their families.

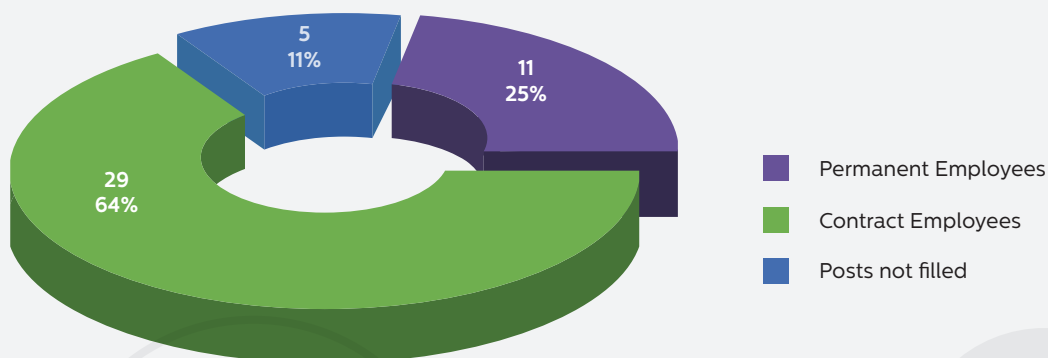
Additionally, in keeping with our objective to be proactive in our operations, the department took added measures regarding safety and wellness to procure the services of a General Practitioner for on-call services in the event of an emergency. We also ensured the procurement of necessary emergency equipment along with the relevant training for members of the Safety Committee and other members of staff.

Core Activities for the Department During 2020/21 Recruitment

The Department was able to complete the fiscal year with a staff complement of 40, which represents approximately 89% of the approved establishment of forty-five (45) posts. Four (4) persons were welcomed to the SMA team, and assumed office mainly during the second half of the fiscal year:

- Accounts Payables Officer, Finance & Administration – Shana Kay Brown
- Public Procurement Administrator, Finance & Administration – Moesha Smith
- Telecommunications Engineer, Engineering – Abean Cooper
- Technician, Engineering – Sashamoy Palmer

Chart 1 – Staff Complement as at the end of 2020/21 FY



Training and Development

In light of COVID-19 restrictions worldwide, during the FY, many of the slated courses were either postponed or cancelled. There were some instances where the organizers opted to host the courses virtually and down-scaled the number of activities to be covered. Nevertheless, the HR&OS Department was able to arrange for most levels of staff to be given the opportunity

to expand their knowledge and stay informed on the latest developments in the communication sector. During the period, a cluster of online courses and seminars were identified for staff participation and the department was able to utilize 73% of the approved training budget by the end of the fiscal year. Technical and non-technical virtual training opportunities were identified to include the following:

Table 6 –Primary Courses/Training Activities – 2020/21 FY

Course/Training
Understanding Modern Spectrum Management Training
Learning Management Systems Training
Regulating Competitions in Mobile Markets
ITU eLearning Course in Security & QoS in Internet Network
Spectrum Policy and Management Training
Spectrum Valuation Training
Spectrum Auctions Masterclass
ITU Online Training Course on Technical, Business & Regulatory Aspects of 5G Network
ATDI Online Training Using HTZ Communications
AGC Drone Operator Training
Principles & Practices of RF Monitoring & Inspection Training
LearnFest Caribbean 2020
Understanding the Requirements of ISO 9001
International Financial Reporting Standards Virtual Workshop
Administering Avaya Aura System Management

Outlook for the 2021/22 FY

For the new 2021/22 FY, the department acknowledges the need to quickly navigate issues surrounding remote-work culture, legal concerns surrounding the COVID-19 vaccine, mental health and wellness of staff and the establishment of good work-life balance.

In order to achieve this while supporting the Authority's vision in creating the environment for radio frequency spectrum to become the preferred medium of communication, the Department intends to focus on measures to effectively manage these challenges and prepare for transitions to include:

- Training sessions on agile working and digital tools to support employees
- Adoption of flexible and hybrid working
- Managing emotional and physical wellbeing
- Revision of roles and productivity
- Creative employee engagement solutions

In spite of COVID-19 and the impact that it had on the organization in the last fiscal year, the HR & Office Services Department sees the importance of an adaptable and resilient workforce that can operate in an ever changing digital environment.

Fig. 5: SMA staff with Principal of Higholborn Street Basic School for the Christmas Toy





FINANCE AND ADMINISTRATION DIVISION

The Finance & Administration Division is responsible for providing the SMA with all the financial and administrative support required to process all invoices pertaining to new licensing applications and renewal of licences, process all collections from licensees and any other sources, process and manages all financial transactions to include excess funds placed on investments, provide effective maintenance support for all property machinery and equipment, and prepares all financial statements and reports. The Division oversees the preparation of the annual budget for the SMA as well as the annual audited accounts, while ensuring that the SMA adheres to the Government of Jamaica's statutory, financial and fiduciary obligations.

Administration Department

The Administration department manages the repair and maintenance of the company's facilities which include the building, equipment, furniture, and fleet of vehicles. The department also manages and administers the maintenance contracts to

include services such as security, janitorial, sanitation, pest control, air conditioning, drain cleaning, and solar equipment located on SMA's building rooftop.

The department is also responsible for the maintenance of the current nine (9) sites that we have. The department also tracks the usage of utilities to include light and water, ensuring that the monthly billings properly reflect the company's usage. The department currently still manages the files for our Licensing clients. The department has initiated several projects, some of which are still ongoing, to include (i) on-site storage of data, documents, and any unused assets, (ii) extension of the current bathroom facilities, (iii) renovation of internal office space, (iv) paving of the parking lot, (v) construction of external roof framing along Water Lane perimeter wall to facilitate extension of solar system, (vi) replacement of the Central AC system, (vii) installation of a fire alarm system and, (viii) replacement of the access control system.

Procurement Department

The Procurement department administers the procurement functions of the company in compliance with the Public Procurement Act (2015), the Public Procurement Regulations (2018), and all other related regulations and Circulars issued by the Ministry of Finance and the Public Service. The Procurement Department is therefore responsible for executing all purchase requirements of goods and services for the company. The company seeks to balance efficiency and effectiveness in the procurement process while ensuring adherence with the legal requirements for procurement, ensuring that all allowable variations in the process are properly documented and written justifications are included where necessary.

The department seeks to ensure that where necessary, the requisite contracts are in place to reflect the complexity of any specific procurement for which it works closely with the Legal Division in this regard. The department also ensures that purchase orders are issued for all procurements and/or purchases, whether or not a formal contract is in place, and that purchase orders are approved in keeping with the company's approval policy for expenditure, bearing in mind that all contracts are to be signed by the Managing Director on behalf of the company. During the year, the department processed **914** purchase orders totaling **J\$217,460,093**, **103** purchase orders totaling **US\$582,974**, and **5** purchase orders totaling **GBP8,050**.

The department also provides the effective liaison with existing and prospective

suppliers and/or contractors for all procurement opportunities, wherein those of material values are listed in GOJ's Electronic Procurement (GoJep) website and made available for participation by the public.

Supporting the procurement department's functions are the Tender Opening Committee, the Evaluation Committee and the Procurement Committee, with the stipulated requirement that the company's designated "Procurement Officer" i.e. the head of the Procurement department, attends all such meetings either to make observations of the meetings' proceedings or to provide guidance to the process, and to receive for filing all related documents for each procurement opportunity.

Accounts and Finance Department

The work of the Accounts and Finance department includes the proper management of funds within the company to include collection, disbursement and investment of excess fund. The department's work also include processing and monitoring the expenditure of funds in adherence with the company's budgeted projections for both operational and capital expenditure.

Activities for 2020/21

During the FY, the department remained vigilant in ensuring that the SMA remained financially viable and compliant with GOJ's laws. During the year, salaries & wages were paid on time each month, suppliers' and contractors' liabilities were generally settled within a 30 day period from receipt of invoices or claims, and all salary related

statutory deductions and other government taxes and fees were settled within the stipulated time in compliance with the law.

The department effectively administered the collection of **\$1.486 Billion** in Spectrum Licence fees on behalf of the GOJ which represents **\$561.21 Million** or **61%** in excess of the targeted KPI collection of **\$924.34 Million** for the year. The department also administered the remittance of **\$1.484 Billion** to the Consolidated Fund via Tax Administration of Jamaica, which amount represents **\$328.99 Million** or **28%** above the targeted KPI of **\$1.155 Billion**. The department recognises the vital contribution it made towards the achievement of all KPI targets during the year. This contribution culminates in the successful finalisation of the company's annual audits for its financial statements and its PKI report.

During the year, the department processed 1480 receipts totaling J\$986.882 Million and US\$6.864 Million, as well as processed 1657 disbursements totaling J\$1.198 Billion and US\$8.909 Million. Excess cash place on aggregate investment during the year ranged from a low of J\$659.4 Million to a high of J\$1.033 Billion at the end of each month with a view to maximize interest earnings.

Forecast for the Division for 2020/21

The F&A Division acknowledges that the radio frequency environment is changing rapidly and is becoming more and more complex due to the rapid changes in technology and the increasing demand for technology related service. The division's response can be accomplished more effectively and

efficiently with the acquisition of new and "fit for purpose" technology to realize this objective. There will be renewed focus on procurement activities to improve its efficiency and delivery to stakeholders, and the expansion of maintenance activities by the administrative personnel to include the several remote monitoring sites will allow for a more effective focus by the spectrum engineers on the company's core spectrum related activities.

Challenges and Mitigation Strategies for the Division

During the 2020/21 FY, the Finance and Administration Division on a whole faced several challenges which could have adversely affected its delivery of final reports. Foremost of these challenges was the company's requirement for the entire staff in the division to come to the work place almost everyday during the heights of the covid-19 pandemic which affected staff morale and could have affected productivity.

Nevertheless, the staff remain committed to the task throughout the year, delivering yeoman service to the company's internal and external stakeholders. The division commits to continue providing a reliable and robust service during the subsequent year.

BOARD OF DIRECTORS' COMPENSATION

Position of Director	Board Chairman	Member	Committees Chairman	Member	Total Fees	Travelling Allowance or Value of Assigned Motor Vehicle	Honoraria	Compensation including Non Cash Benefits as applicable	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Edward Gabbidon ^{A, C}	188,900		-	32,500	221,400	16,544	-	-	237,944
Delroy Thompson ^{A, C}	-	96,000	-	71,500	167,500	4,813	-	-	172,313
Marsha Haughton ^{B, C}	-	95,000	53,500	13,000	161,500	4,410	-	-	165,910
Marcia Forbes ^{A, C}	-	95,000	-	19,500	114,500	-	-	-	114,500
Rochelle Cameron ^{B, E}	-	60,000	-	32,500	92,500	-	-	-	92,500
Vaughn McDonald ^A	-	71,000	32,100	45,500	148,600	3,856	-	-	152,456
Marlon Morgan ^A	-	71,000	-	39,000	110,000	6,867	-	-	116,867
Kaydian Smith-Newton ^{A, C}	-	96,000	-	58,500	154,500	-	-	-	154,500
Dalton Yap ^A	-	71,000	-	45,500	116,500	36,842	-	-	153,342
Claude Petgrave ^A	-	71,000	32,100	6,500	109,600	6,464	-	-	116,064
Robert Richards ^{A, C}	-	107,000	21,400	19,500	147,900	4,712	-	-	152,612
Camille Facey ^{B, C}	-	95,000	10,700	19,500	125,200	1,273	-	-	126,473
Rakesh Goswani ^C	-	24,000	-	6,500	30,500	-	-	-	30,500
Louis-Ray Harris ^C	-	36,000	-	13,000	49,000	-	-	-	49,000
Merrick Marshall ^C	-	36,000	-	13,000	49,000	-	-	-	49,000
Heidi Hanna ^C	-	36,000	-	6,500	42,500	-	-	-	42,500
Stephen Steele ^D	-	12,000	-	-	12,000	-	-	-	12,000
Rohan Townsend ^F	-	-	-	19,500	19,500	-	-	-	19,500
Total	188,900	1,072,000	149,800	461,500	1,872,200	85,781	-	-	1,957,981

The above compensation table is for seventeen (17) Directors and one (1) co-opted Member (Rohan Townsend) to serve on the Audit Committee.

A Director appointed to Board, the tenure of which commenced on November 12, 2018 for two years ended on November 11, 2020.

B Director appointed on April 8, 2019 to Board, the tenure of which commenced on November 12, 2018 for two years ended on November 11, 2020.

C Director appointed to Board, the tenure of which commenced on November 16, 2020 for two years ending November 15, 2022.

D Director appointed on February 15, 2021 to Board, the tenure of which commenced on November 16, 2020 for two years ending November 15, 2022.

E Director resigned on August 14, 2020 from the Board, the tenure of which commenced on November 12, 2018 for two years ended on November 11, 2020.

F Co-opted member who serve on the Audit Committee for the Board, the tenure of which commenced on November 12, 2018 for two years ended on November 11, 2020.

**Please note that changes in the Board composition resulted from the General Election held on September 3, 2020.*

SENIOR EXECUTIVE/ KEY MANAGEMENT COMPENSATION

Position of Senior Executive/ Key Management	Salary	Gratuity or performance incentive	Travelling Allowance or Value of Assigned Motor Vehicle	Pension or Other Retirement Benefits	Other Allowances	Total Remuneration	Non-Cash Benefits	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Maria Myers-Hamilton Managing Director	8,201,343	2,421,773	1,697,148	-	510,789	12,831,053	-	12,831,053
Henry Batson Director - Spectrum Engineering	6,584,678	-	1,697,148	-	930,756	9,212,582	-	9,212,582
Patrick Brown Director - Finance & Administration	5,231,161	1,524,227	1,697,148	-	784,578	9,237,114	-	9,237,114
Kadianne Wood Director - Legal Affairs	5,231,161	2,832,047	1,697,148	-	1,050,192	10,810,548	-	10,810,548
George Malcolm Director - Policy & Strategic Planning	5,231,161	1,596,335	1,697,148	-	857,810	9,382,454	-	9,382,454
Dawn Staple Manager - Human Resources	3,081,996	143,620	894,924	-	219,600	4,340,140	-	4,340,140
Total	33,561,500	8,518,002	9,380,664	-	4,353,725	55,813,891	-	55,813,891

FINANCIAL STATEMENTS

SPECTRUM MANAGEMENT AUTHORITY LIMITED
FINANCIAL STATEMENTS
31 MARCH 2021

1-3	Independent Auditor's Report <u>FINANCIAL STATEMENTS</u>
4	Statement of Profit and Loss and Other Comprehensive Income
5	Statement of Financial Position
6	Separate Statement of Changes in Equity
7	Statement of Cash Flows
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INDEPENDENT AUDITORS' REPORT

To the Members of
SPECTRUM MANAGEMENT AUTHORITY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Spectrum Management Authority Limited ("the company"), set out on pages 4 to 41, which comprise the statement of financial position as at March 31, 2021, statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at March 31, 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG, a Jamaican partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

R. Tarun Handa	Nigel R. Chambers	Wilbert A. Spence
Cynthia L. Lawrence	Nyssa A. Johnson	Rochelle N. Stephenson
Rajan Trehan	W. Gihan C. de Mel	Sandra A. Edwards
Norman O. Rainford		



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SPECTRUM MANAGEMENT AUTHORITY LIMITED

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.



Page 3

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SPECTRUM MANAGEMENT AUTHORITY LIMITED

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.

KPMG

Chartered Accountants
Kingston, Jamaica

July 20, 2021

SPECTRUM MANAGEMENT AUTHORITY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2021

	<u>Note</u>	<u>2021</u> <u>\$</u>	<u>2020</u> <u>\$</u>
Revenue	5(a)	543,837,435	464,571,940
Operating expenses	6(a)	(515,967,385)	(421,182,564)
Impairment loss (allowance)/reversal	11	(10,845,856)	<u>411,651</u>
Operating profit		17,024,194	43,801,027
Other income, net	5(b)	<u>25,102,465</u>	<u>22,800,803</u>
Profit, being total comprehensive income for the year	7	<u>42,126,659</u>	<u>66,601,830</u>

The notes on pages 8 to 41 are an integral part of these financial statements.


SPECTRUM MANAGEMENT AUTHORITY LIMITED

STATEMENT OF FINANCIAL POSITION

31 MARCH 2021

	<u>Note</u>	<u>2021</u> <u>\$</u>	<u>2020</u> <u>\$</u>
ASSETS			
Non-current assets:			
Property, plant and equipment	8	540,691,072	505,147,967
Intangible assets	9	8,182,077	7,805,042
Right-of-use assets	10(i)	39,978,591	45,940,122
Total non-current assets		<u>588,851,740</u>	<u>555,893,131</u>
Current assets:			
Receivables	11	56,302,107	74,938,256
Taxation recoverable	12	18,220,781	17,183,152
Resale agreements	13	688,636,057	749,095,618
Cash and cash equivalents	14	392,382,003	255,836,135
Total current assets		<u>1,155,540,948</u>	<u>1,097,053,161</u>
Total assets		<u>1,744,392,688</u>	<u>1,655,946,292</u>
EQUITY AND LIABILITIES			
Capital and reserves:			
Share capital	15	20	20
Contributed capital	16	144,700,366	144,700,366
Retained earnings		<u>728,165,579</u>	<u>686,038,920</u>
Total capital and reserves		<u>872,865,965</u>	<u>830,739,306</u>
Non-current liabilities:			
Lease liabilities	10(ii)	39,706,503	44,758,329
Deferred capital grant	17	325,000,000	325,000,000
Total non-current liabilities		<u>364,706,503</u>	<u>369,758,329</u>
Current liabilities:			
Payables	18	290,425,024	278,328,174
Deferred income	19	206,964,105	170,774,163
Lease liabilities	10(ii)	9,431,091	6,346,320
Total current liabilities		<u>506,820,220</u>	<u>455,448,657</u>
Total equity and liabilities		<u>1,744,392,688</u>	<u>1,655,946,292</u>

The financial statements on pages 4 to 41 were approved for issue by the Board of Directors on July 20, 2021 and signed on its behalf by:



Edward Gabbidon - Chairman



Marsha Haughton - Director

The notes on pages 8 to 41 are an integral part of these financial statements.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2021

	Share Capital ₹ (Note 15)	Contributed Capital ₹ (Note 16)	Retained Earnings ₹	Total ₹
Balances at 31 March 2019	20	144,700,366	619,437,090	764,137,476
Total comprehensive income for the year	-	-	<u>66,601,830</u>	<u>66,601,830</u>
Balances at 31 March 2020	20	144,700,366	686,038,920	830,739,306
Total comprehensive income for the year	-	-	<u>42,126,659</u>	<u>42,126,659</u>
Balances at 31 March 2021	<u>20</u>	<u>144,700,366</u>	<u>728,165,579</u>	<u>872,865,965</u>

The notes on pages 8 to 41 are an integral part of these financial statements.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2021

	<u>Note</u>	<u>2021</u> \$	<u>2020</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit for the year		42,126,659	66,601,830
Adjustments for:			
Depreciation and amortisation	6(a)	90,593,663	77,663,999
Impairment loss allowance/(reversal)	11	10,845,856	(411,651)
Interest income	5(b)	(16,722,707)	(16,529,095)
Interest expense implicit in leases	10(iii)	4,069,001	4,362,963
Translation loss on lease liabilities	10(iii)	<u>31,052</u>	<u>1,049,344</u>
Operating cash flows before movements in working capital		130,943,524	132,737,390
Change in operating assets and liabilities:			
Receivables		7,790,293	(62,736,286)
Taxation recoverable		(1,037,629)	(4,157,170)
Deferred income		36,189,942	43,230,423
Payables (excluding spectrum licence fees)		<u>10,968,383</u>	<u>8,851,946</u>
		184,854,513	117,926,303
Interest received		16,753,273	16,678,649
Spectrum licence fees received	18	1,485,550,251	1,637,448,874
Spectrum licence fees paid	18	<u>(1,484,421,784)</u>	<u>(1,674,122,998)</u>
Net cash provided by operating activities		<u>202,736,253</u>	<u>97,930,828</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net decrease/(increase) in resale agreements		60,428,995	(37,119,110)
Acquisition of property, plant and equipment	8	(116,899,568)	(89,711,978)
Acquisition of intangible assets	9	<u>(3,652,704)</u>	<u>(1,659,722)</u>
Net cash used in investing activities		<u>(60,123,277)</u>	<u>(128,490,810)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liabilities	10(iv)	<u>(6,067,108)</u>	<u>(6,209,346)</u>
Net cash used in financing activities		<u>(6,067,108)</u>	<u>(6,209,346)</u>
Net increase/(decrease) in cash and cash equivalents		136,545,868	(36,769,328)
Cash and cash equivalents at beginning of year		<u>255,836,135</u>	<u>292,605,463</u>
Cash and cash equivalents at end of year	14	<u><u>392,382,003</u></u>	<u><u>255,836,135</u></u>

The notes on pages 8 to 41 are an integral part of these financial statements.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

Spectrum Management Authority Limited (the company) is a limited liability company incorporated and domiciled in Jamaica. It is wholly owned by the Government of Jamaica and is an agency within the Information and Communication Technology (ICT) Portfolio of the Ministry of Science, Energy and Technology. The registered office of the company is located at 13-19 Harbour Street, Kingston.

The principal activity of the company is the efficient management of Jamaica's electromagnetic spectrum in the interest of national, technological, economic and social development.

Tax Administration Jamaica by letter dated February 15, 2018, confirmed that the company is exempt from paying income tax under section 12(b) of the Income Tax Act.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and comply with the relevant provision of the Jamaican Companies Act.

New and amended standards that became effective during the year:

Certain new and amended standards came into effect during the current financial year. The company has assessed them and has adopted those which are relevant to its financial statements; none of which resulted in any change to the amounts recognised or disclosed in the financial statements.

Amended standards and interpretations issued but not yet effective:

Certain amended standards and interpretations have been issued which are not yet effective for the current year and which the company has not early-adopted. The company has assessed the relevance of all such amendments and interpretations with respect to the company's operations and has determined that the following are likely to have an effect on the financial statements.

- (i) Amendments to IAS 1 Presentation of Financial Statements, will apply retrospectively for annual reporting periods beginning on or after 1 January 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

Amended standards and interpretations issued but not yet effective (cont'd):

(i) Amendments to IAS 1 Presentation of Financial Statements, (continued)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. An entity classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. It has now been clarified that a right to defer exists only if the entity complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

With the amendments, convertible instruments may become current. In light of this, the amendments clarify how an entity classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the entity's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that an entity can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

The Company is assessing the impact that this amendment will have on its future financial statements.

(ii) Amendments to IAS 37 Provision, Contingent Liabilities and Contingent Assets, is effective for annual periods beginning on or after January 1, 2022 and clarifies those costs that comprise the costs of fulfilling the contract.

The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs - e.g. direct labour and materials; and an allocation of other direct costs - e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

This clarification will require entities that apply the 'incremental cost' approach to recognise bigger and potentially more provisions. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

The Company is assessing the impact that this amendment will have on its future financial statements.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

Amended standards and interpretations issued but not yet effective (cont'd):

- (iii) Annual Improvements to IFRS Standards 2018-2020 cycle contain amendments to certain standards and are effective for annual periods beginning on or after January 1, 2022. The amendment that affect the Company's operations is IFRS 9 Financial Instruments.

IFRS 9 Financial Instruments, amendment clarifies that - for the purpose of performing the '10 per cent test' for derecognition of financial liabilities - in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The Company is assessing the impact that this amendment will have on its future financial statements.

- (iv) Amendments to IFRS 16 Leases is effective for annual periods beginning on or after June 1, 2020, with early application permitted. It provides guidance for COVID-19 related rent concessions.

The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession. For example, if the concession is in the form of a one-off reduction in rent, it will be accounted for as a variable lease payment and be recognised in profit or loss.

The practical expedient will only apply if:

- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2021; and
- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose:

- that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and
- the amount recognised in profit or loss for the reporting period arising from application of the practical expedient.

No practical expedient is provided for lessors. Lessors are required to continue to assess if the rent concessions are lease modifications and account for them accordingly.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

Amended standards and interpretations issued but not yet effective (cont'd):

- (v) Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance contracts and IFRS 16 Leases, is effective for annual accounting periods beginning on or after January 1, 2021 and address issues affecting financial reporting in the period leading up to interbank offered rates (IBOR) reform. The second phase amendments apply to all hedging relationships directly affected by IBOR reform. The amendments principally address practical expedient for modifications. A practical expedient has been introduced where changes will be accounted for by updating the effective interest rate if the change results directly from IBOR reform and occurs on an 'economically equivalent' basis. A similar practical expedient will apply under IFRS 16 Leases for lessees when accounting for lease modifications required by IBOR reform. In these instances, a revised discount rate that reflects the change in interest rate will be used in remeasuring the lease liability.

The amendments also address specific relief from discontinuing hedging relationships as well as new disclosure requirements.

The Company is assessing the impact that this amendment will have on its future financial statements.

(b) Basis of preparation

The financial statements are prepared under the historical cost basis.

(c) Functional and presentation currency

The financial statements are presented in Jamaica dollars, which is the company's functional currency.

(d) Use of estimates, assumptions and judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates, assumptions and judgements that affect the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Although these estimates are based on management's best knowledge of current events and actions, actual amounts could 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, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(d) Use of estimates, assumptions and judgements (cont'd)

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below:

(i) Key sources of estimation uncertainty:

Allowance for impairment losses on receivables

Allowances for doubtful accounts are determined upon origination of the trade accounts receivable based on a model that calculates the expected credit loss ("ECL") on trade accounts receivable.

Under the ECL model, the company analyses its accounts receivable in a matrix by days past due and determined for each age bracket an average rate of ECL, considering actual credit loss experience and analysis of future delinquency, that is applied to the balance of the accounts receivable.

Expected useful life and residual value of property, plant and equipment

The expected useful life and residual value of an asset are reviewed, at least, at each reporting date. Useful life of an asset is defined in terms of the asset's expected utility to the company.

(ii) Critical accounting judgements in applying accounting policies:

a) Classification of financial assets:

The assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding requires management to make certain judgements on its business operations.

b) Impairment of financial assets:

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into measurement of expected credit losses (ECL) and the selection and approval of models used to measure ECL requires significant judgement.

(e) Comparative information

When necessary, prior year comparatives have been reclassified to conform to current year's presentation.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency translation

Transactions in foreign currencies are converted at the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currency are translated using the exchange rates ruling at that date. Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealised exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in profit or loss.

(b) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, receivables and resale agreements. Financial liabilities include payables.

Financial assets

Initial recognition, classification and measurement

Financial assets are classified as “Held to collect” and measured at amortised cost if they meet both of the following conditions: a) are held within a business model whose objective is to hold assets to collect contractual cash flows, and b) whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and (ii) are not designated as fair value through profit or loss.

Amortised cost represents the net present value (“NPV”) of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents
- Receivables
- Resale agreements

The Company initially recognises these assets at the original invoiced or transaction amount less expected credit losses.

Business model assessment

The business model reflects how the company manages the assets in order to generate cash flows. That is, whether the company’s objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of ‘other’ business model and measured at fair value through profit and loss (FVTPL).

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial instruments (cont'd)

Business model assessment (cont'd)

The business model reflects how the company manages the assets in order to generate cash flows. That is, whether the company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

Factors considered by the company in determining the business model for a group of assets include:

1. How the asset's performance is evaluated and reported to key management personnel;
2. How risks are assessed and managed; and
3. How managers are compensated.

The company's business models is primarily Held-to-collect business model: This comprises, cash and cash equivalents, resale agreements and accounts receivables. These financial assets are held to collect contractual cash flows.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described in the particular recognition methods disclosed in their individual policy statements associated with each item.

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired, or the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value. The company's financial liabilities, which include payables are recognised initially at fair value.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial instruments (cont'd)

Financial liabilities (cont'd)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described in the particular recognition methods disclosed in their individual policy statements associated with each item.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts recognised in the income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Determination of fair value

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists. Some financial instruments lack an available trading market. These instruments have been valued using present value or other generally accepted valuation techniques and the fair value shown may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

(c) Property, plant and equipment

All property, plant and equipment are stated at historical cost, less accumulated depreciation and impairment losses, if any.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment (cont'd)

Depreciation is recognised in profit or loss on the straight-line basis at annual rates to write down the assets to their estimated residual values at the end of their expected useful lives, as follows:

Building	2.5%
Leasehold improvements	10%
Monitoring and office equipment	5% - 33 1/3%
Furniture and fixtures	10%
Motor vehicles	20%
Other assets	10%

Land and Capital Work- in - Progress (CWIP) are not depreciated.

Depreciation method, residual values and useful lives of the assets are reassessed each reporting date and adjustments made if appropriate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other income in profit or loss.

Repairs and maintenance expenditures are charged to profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits are in excess of the originally assessed standard of performance of the existing asset that will flow to the company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(d) Intangible assets

Costs that are directly associated with acquiring identifiable and unique software products that are expected to generate economic benefits exceeding cost, beyond one year, are recognised as intangible assets. These assets are measured at cost, less accumulated amortisation and impairment losses, if any.

Amortisation is recognised in profit or loss on the straight-line basis over the estimated useful lives of the intangible assets, from the date that they are made available for use. The estimated useful life ranges from a minimum of 3 years to a maximum of 15 years.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses (ECL).

Forward looking information

The company applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions. Macroeconomic factors and forward looking information are incorporated into the measurement of ECL. Measurement of ECLs at each reporting period reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

For receivables, the company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward looking information.

Reversal of impairment

An impairment in respect of a receivable is reversed, if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed, if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortised costs are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Impairment of financial assets (cont'd)

Credit-impaired financial assets (cont'd)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Allowances for ECL are presented in the statement of financial position as a deduction from financial assets measured at amortised cost:

Write-off

Receivables are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the company determines that the debtor does not have sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

(f) Impairment of non-financial assets

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Impairment of non-financial assets (cont'd)

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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(g) Pension obligations

Defined contribution plan

The company participates in a defined-contribution plan, the assets of which are held separately from those of the company. Contributions to the plan, made on the basis provided for in the rules, are charged to profit or loss when due.

(h) Resale agreements

Securities purchased under agreements to resell are recorded as collateralized financing transactions and are classified as loans and receivables. Resale agreements are accounted for as short-term collateralised lending and are measured at amortised cost, less impairment.

(i) Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost. For the purpose of the statement of cash flow, cash and cash equivalents comprise cash at bank and in hand, deposits and short-term highly liquid investments where original maturities do not exceed three months, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term commitments rather than for investments purposes.

(j) Receivables

Receivables are measured at amortised cost less impairment losses.

(k) Payables

Payables are measured at amortised cost.

(l) Deferred income

The unearned portion of regulatory fees that are billed during the financial year and represents the entire, or the proportionate number of months, of the validity period of applicable licences which fall outside the financial year are recognized as deferred income.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Share capital

Ordinary shares are classified as equity.

(n) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to anyone item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligations using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(o) Leases

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company uses the definition of a lease in IFRS 16.

The company as a lessee

At commencement or on modification of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The company classifies arrangements with a term of greater than 12 months where substantially all risks and rewards incidental to ownership are retained by the third-party lessors as leases.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the present value of future lease payments, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Leases (cont'd)

The company as a lessee (cont'd)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the company by the end of the lease term or the cost of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement date, generally discounted using the company's incremental borrowing rate.

The company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under any residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Subsequent to initial recognition the lease liability is measured at amortised cost using the effective interest rate method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases of 12 months or less. The company recognises the lease payments associated with these leases as an expense on the straight-line basis over the term.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Revenue recognition

Performance obligations and revenue recognition policies:

Revenue is measured based on the consideration specified in a contract with a customer. The company recognises revenue when it transfers control of the goods to a customer.

A contract with a customer that results in a recognised financial instrument in the company's financial statements may be partially in the scope of IFRS 9 and be partially in the scope of IFRS 15. If this is the case, then the company first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

<i>Type of revenue</i>	<i>Nature and timing of satisfaction of performance obligations, including significant payment terms.</i>	<i>Revenue recognition under IFRS 15</i>
Regulatory Fee	<p>The company charges regulatory fees in order to cover its reasonable operating costs in relation to spectrum licences pursuant to the Telecommunications Act, 2000 and the Telecommunications (Spectrum Regulatory Fees) Amendment) Regulations, 2017. Payment is required in full on or before the date a new licence is issued or before the next validity period for existing licences that are being renewed.</p> <p>The validity period represents the period over which the economic benefits of each licence will flow to the company so that the revenue can be reliably measured.</p> <p>The validity period is the time that each licensee is authorised to use the spectrum which is usually twelve months duration starting from a date in the current year to the day before the corresponding date in the subsequent year, save and except for temporary licences which are valid for a minimum of 3 months duration.</p>	<p>Revenue is recognised when it is probable that economic benefits will flow to the company and the revenue can be reliably measured. Income is recognised in conformity with the validity period of licences.</p>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Revenue recognition (cont'd):

Performance obligations and revenue recognition policies (cont'd):

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows (cont'd):

<i>Type of revenue</i>	<i>Nature and timing of satisfaction of performance obligations, including significant payment terms.</i>	<i>Revenue recognition under IFRS 15</i>
Processing Fee	The company charges a fee to other entities to process each application submitted for spectrum licences, certificates or related services.	Processing fee is recognised at a point in time based on an agreed fee.

(q) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24, Related Party Disclosures as the “reporting entity”, in this case, the company).

(a) A person or a close member of that person's family is related to a reporting entity, if that person:

- i) has control or joint control over the reporting entity;
- ii) has significant influence over the reporting entity; or
- iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

- i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii) Both entities are joint ventures of the same third party.
- iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.
- vi) The entity is controlled, or jointly controlled by a person identified in (a).

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Related parties (cont'd)

(b) An entity is related to a reporting entity if any of the following conditions applies: (cont'd)

- vii) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- viii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- ix) Both entities are joint ventures of the same third party.
- x) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- xi) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.
- xii) The entity is controlled, or jointly controlled by a person identified in (a).
- xiii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- xiv) The entity or any member of a group of which it is a part provides key management personnel services to the company or to the parent of the company.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

4. FINANCIAL AND CAPITAL RISK MANAGEMENT

(a) Overview

The company has exposure to the following risks from its use of financial instruments and its operations:

- Credit risk
- Market risk
- Liquidity risk
- Operational risk

Information about the company's exposure to each of these risks, the company's objectives, policies and processes for measuring and managing risk is detailed below.

Risk Management Framework

The Board has overall responsibility for the determination of the company's risk management objectives and policies. Whilst retaining ultimate responsibility, it has delegated the authority for designing the operating processes to, and ensuring that the Board receives reports from, the Managing Director, through whom it reviews the effectiveness of the processes implemented and the appropriateness of the objectives and policies it establishes.

The overall objective of the Board is to set policies that seek to reduce risk, as far as possible, without unduly affecting the company's regulatory activities.

(b) Credit risk

Credit risk is the risk of financial loss to the company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations. At the reporting date, the company's significant concentration of credit risk is limited to receivables, resale agreements and cash and cash equivalents.

The maximum exposure to credit risk at the reporting date was:

	<u>2021</u> £	<u>2020</u> £
Cash and cash equivalents (see note 14)	392,382,003	255,836,135
Resale agreements (see note 13)	688,636,057	749,095,618
Receivables (see note 11)	<u>44,797,591</u>	<u>61,039,237</u>
	<u>1,125,815,651</u>	<u>1,065,970,990</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

4. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Cash and cash equivalents

The company maintains cash resources with reputable financial institutions that are appropriately licensed and regulated, therefore credit risk is considered to be low. No allowance for impairment is deemed necessary.

Trade receivables

The company has policies in place to ensure that it provides its services to customers with an acceptable credit history, who will pay the applicable licence fees and regulatory fees for the use of the spectrum. The company has no significant concentration of credit risk attached to receivables as the company has a diverse customer base, with no significant balances arising from any single economic or business sector, or single entity or customer. The company, therefore, manages credit risk by continually screening its customers, pursuing its receivables rigorously.

Expected credit loss assessment

The company uses a provision matrix to measure the Expected Credit Loss (ECLs) on trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

Loss rates are calculated based on the probability of a receivable progressing through successive stages of delinquency to write-off, current conditions and the economic conditions over the expected lives of the receivables.

The following table provides information about the ECL for trade receivables as at the reporting date.

<u>Age categories</u>	<u>2021</u>			
	<u>Weighted average loss rate</u> %	<u>Gross carrying amount</u> \$	<u>Impairment loss allowance</u> \$	<u>Credit impaired</u>
0-30 days (not past due)	-	5,919,138	-	No
31-60 days past due	99	6,058,508	6,016,416	No
61-90 days past due	-	17,689	-	No
Over 90 days past due	86	<u>5,609,739</u>	<u>4,829,440</u>	Yes
		<u>17,605,074</u>	<u>10,845,856</u>	

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

4. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

Expected credit loss assessment (cont'd)

The following table provides information about the ECL for trade receivables as at the reporting date. (cont'd)

<u>Age categories</u>	<u>2020</u>			
	<u>Weighted average loss rate</u> %	<u>Gross carrying amount</u> \$	<u>Impairment loss allowance</u> \$	<u>Credit impaired</u>
0-30 days (not past due)	-	244,846	-	No
31-60 days past due	-	18,452,259	-	No
61-90 days past due	-	10,806,880	-	No
Over 90 days past due	-	18,969,266	-	No
		<u>48,473,251</u>		

The movement in the allowance for impairment in respect of trade receivables during the year was \$10,845,856 (2020 :Nil)

Resale agreements

Investments are low-risk and are held with Government of Jamaica (GOJ) approved financial institutions with the holding not exceeding 33⅓% of its portfolio in any one institution. Additionally, during the tenure of the investments, financial institutions are required to transfer the minimum of the nominal value of securities representing the net maturity value of investments to the company's designated account with the Bank of Jamaica (BOJ) operated JamClear-CSD.

Allowance for impairment losses under IFRS 9 for resale agreements was immaterial for recognition in the financial statements.

Concentration by geography

The issuers of the majority of the company's assets are located in Jamaica.

There has been no change to the company's exposure to credit risk or the manner in which it measures and manages this risk during the year.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

4. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk arises mainly from changes in interest rate and foreign exchange rate and may affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return. Market risk exposures are measured using sensitivity analysis.

(i) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the company to cash flow interest risk, whereas fixed interest rate instruments expose the company to fair value interest risk.

The company's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of investments. The policy also requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities.

The company's interest rate risk arises from short-term resale agreements that are backed by GOJ/BOJ securities (see note 13).

Interest rate sensitivity analysis:

The following tables indicate the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on profit or loss and equity.

	Effect on profit or loss and equity <u>2021</u> ₡	Effect on profit or loss and equity <u>2020</u> ₡
Change in basis points:		
-100 (2020: -100)	(6,886,361)	(7,490,956)
100 (2020: 100)	<u>6,886,361</u>	<u>7,490,956</u>

(ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company is exposed to foreign currency risk on transactions that it undertakes in foreign currencies that give rise to the net currency gains and losses recognised during the year. Such exposures comprise the assets and liabilities of the company that are not denominated in its functional currency.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

4. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)

(c) Market risk (cont'd)

(ii) Currency risk (cont'd)

The company ensures that the risk is kept to an acceptable level by monitoring its value at risk.

The table below summarises the total exposure to foreign currency risk:

	2021		2020	
	J\$	US\$	J\$	US\$
Financial Assets				
Cash and cash equivalents	6,649,206	46,442	248,428,496	1,874,543
Resale agreements	<u>102,282,862</u>	<u>714,400</u>	<u>92,752,802</u>	<u>699,876</u>
	<u>108,932,068</u>	<u>760,842</u>	<u>341,181,298</u>	<u>2,574,419</u>

The exchange rate used to translate assets denominated in United States Dollars at the reporting date was 143.17 (2020: 132.53) Jamaica dollars to 1 United States dollar.

Currency sensitivity analysis

The following table indicates the effect on profit or loss arising from changes in the United States dollar exchange rate. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusting for their translations at the reporting date for a change in foreign currency rates.

	<u>2021</u>	<u>2020</u>
	\$	\$
Effect on profit:		
Devaluation - 6% (2020: 6%)	<u>6,535,924</u>	<u>5,836,926</u>
Revaluation - 2% (2020: 2%)	<u>(2,178,641)</u>	<u>(1,945,642)</u>

There was no change in the nature of exposure to market risk to which the company is subjected to or its approach to measuring and managing the risk during the year.

(d) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial liabilities. The company manages the risk by monitoring future cash flows and liquidity on a daily basis and maintaining a portfolio of short-term investments that are collateralized by Government of Jamaica securities.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

4. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk (cont'd)

The following table presents the undiscounted contractual cash flows and the expected timing of the settlement of financial liabilities.

	March 31, 2021			
	Carrying amount	Contractual cash flows	1 year or less	Over 1 year
	\$	\$	\$	\$
Accounts payable [Note 18]	282,019,142	282,019,142	282,019,142	-
Lease liabilities [Note 10(ii)]	<u>49,137,594</u>	<u>70,954,761</u>	<u>13,009,714</u>	<u>57,945,047</u>
	<u>331,156,736</u>	<u>352,973,903</u>	<u>295,028,856</u>	<u>57,945,047</u>

	March 31, 2020			
	Carrying amount	Contractual cash flows	1 year or less	Over 1 year
	\$	\$	\$	\$
Accounts payable [Note 18]	277,084,369	277,084,369	277,084,369	-
Lease liabilities [Note 10(ii)]	<u>51,104,649</u>	<u>77,021,869</u>	<u>10,415,319</u>	<u>66,606,550</u>
	<u>328,189,018</u>	<u>354,106,238</u>	<u>287,499,688</u>	<u>66,606,550</u>

There was no change in the nature of exposure to liquidity risk to which the company is subjected or its approach to measuring and managing the risk during the year.

(e) Capital risk

The company is not subject to any externally imposed capital requirements.

The company's objectives, when managing capital, are to safeguard the company's ability to continue as a going concern and to maintain a strong capital base to support the development of its business. The company's capital is defined as share capital, contributed capital and retained earnings. Capital is managed through a formal budgetary process which is closely monitored by management to maintain profitability and control expenditure.

(f) Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the company's processes, personnel, technology and external factors, other than financial risks, such as generally accepted standards of corporate behaviour. As a public body, the company manages operational risk with specific reference to guidelines provided in relevant Acts and Government circulars, so as to avoid financial loss and damage to its reputation.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

4. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)

(f) Operational risk (cont'd)

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the authorisation of transactions:
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with government regulatory and other legal requirements.
- Risk mitigation including insurance.

(g) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The fair value of a liability reflects its non-performance risk.

Determination of fair value and fair value hierarchy

IFRS specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Discounted cash flow technique using a discount rate from observable market data, i.e. average of several brokers/dealers market indicative yields in active markets for identical assets or liabilities.

Level 3 - Valuation techniques using significant unobservable inputs.

The fair values of the financial instruments of the company that include cash and cash equivalents, receivables, resale agreements, and payables, approximate to their carrying values due to their relatively short tenure. As a result, these financial instruments are not grouped under the hierarchy of valuation.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

5. REVENUE AND OTHER INCOME

	<u>2021</u> ₹	<u>2020</u> ₹
(a) Revenue:		
Regulatory fees (Note 19)	528,293,686	447,988,318
Processing fees	<u>15,543,749</u>	<u>16,583,622</u>
	<u>543,837,435</u>	<u>464,571,940</u>
(b) Other Income, net:		
Interest income calculated using effective interest rate method	16,722,707	16,529,095
Exchange gain	7,868,694	6,147,812
Other	<u>511,064</u>	<u>123,896</u>
	<u>25,102,465</u>	<u>22,800,803</u>

6. EXPENSES BY NATURE

	<u>2021</u> ₹	<u>2020</u> ₹
(a) Operating expenses		
Salaries and other related costs [Note 6(b)]	213,778,617	199,649,760
Chairman and Director's fees [Note 20(a)]	1,872,200	1,756,500
Board/ Committee meeting	2,077,951	2,022,649
Travel and subsistence	3,698,083	17,068,825
Subscription and Donation	3,404,744	5,012,060
Audit fees	2,750,000	1,895,000
Legal and Professional fees	43,132,444	26,020,917
Office expenses	28,514,316	22,465,666
Security	6,229,725	4,627,061
Public relations and education	1,017,437	1,388,234
Lease and rental	1,441,664	2,734,448
Repairs and maintenance	55,812,895	14,580,617
Advertisement	5,157,605	1,961,198
Utilities	25,300,084	14,512,520
Insurance	7,465,538	7,058,422
Motor vehicle	3,571,964	2,616,885
Bank Charges	478,749	412,493
Interest expense implicit in leases [Note 10(iii)]	4,069,001	4,362,963
Property Tax	153,100	153,100
Irrecoverable GCT	15,447,605	13,219,247
Depreciation and amortization	<u>90,593,663</u>	<u>77,663,999</u>
	<u>515,967,385</u>	<u>421,182,564</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

6. EXPENSES BY NATURE (CONT'D)

(b) Salaries and other related costs

	<u>2021</u>	<u>2020</u>
	<u>\$</u>	<u>\$</u>
Salaries and wages	166,154,560	157,440,694
Statutory contributions	10,263,292	9,679,294
Group life and health insurance	10,154,747	9,228,146
Uniform	2,466,744	859,089
Contract/temporary workers	<u>10,036,581</u>	<u>13,147,619</u>
	199,075,924	190,354,842
Pension contributions	1,254,963	1,359,997
Staff training and welfare	11,668,779	6,638,862
Subsistence and accommodation	<u>1,778,951</u>	<u>1,296,059</u>
	<u>213,778,617</u>	<u>199,649,760</u>

7. PROFIT

Profit is stated after charging:

	<u>2021</u>	<u>2020</u>
	<u>\$</u>	<u>\$</u>
Auditors' remuneration [Note 6(a)]	2,750,000	1,895,000
Staff costs [Note 6(b)]	213,778,617	199,649,760
Depreciation and amortisation [Note 6(a)]	<u>90,593,663</u>	<u>77,663,999</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

8. PROPERTY, PLANT AND EQUIPMENT

	Land and building \$	Leasehold improvement \$	Monitoring & office equipment \$	Furniture, and fixtures \$	Motor vehicles \$	Other assets \$	Capital Work-in- progress \$	Total \$
At cost:								
31 March 2019	80,897,123	23,361,469	494,668,95	16,928,681	39,467,779	86,791	172,452,135	827,862,973
Additions	-	-	9,504,903	715,925	-	-	79,491,150	89,711,978
CWIP Transfers	-	14,181,456	148,305,541	-	-	733,556	(163,220,553)	-
31 March 2020	80,897,123	37,542,925	652,479,439	17,644,606	39,467,779	820,347	88,722,732	917,574,951
Additions	-	-	5,249,217	1,288,389	-	-	110,361,962	116,899,568
CWIP Transfers	83,668,817	-	62,710,240	-	16,284,004	-	(163,276,251)	-
31 March 2021	164,565,940	37,542,925	720,438,896	19,546,185	55,751,783	820,347	35,808,443	1,034,474,519
Depreciation:								
31 March 2019	17,446,768	8,978,768	279,154,093	12,121,886	27,301,318	65,494	-	345,068,327
Charge for the year	1,913,094	3,401,844	56,230,716	840,098	4,909,209	63,696	-	67,358,657
31 March 2020	19,359,862	12,380,612	335,384,809	12,961,984	32,210,527	129,190	-	412,426,984
Charge for the year	2,266,319	3,519,902	66,944,732	1,089,688	7,457,195	63,696	-	81,356,463
31 March 2021	21,626,181	15,900,515	402,329,541	14,051,672	39,667,722	129,190	-	493,783,447
Net book values:								
31 March 2021	142,939,759	21,642,411	318,109,355	5,494,513	16,084,061	691,157	35,808,443	540,691,072
31 March 2020	61,537,261	25,162,313	317,094,630	4,682,622	7,257,252	691,157	88,722,732	505,147,967

9. INTANGIBLE ASSETS

	Software and licences \$	Capital work-in- progress \$	Total \$
At cost:			
31 March 2019	38,750,527	4,692,537	43,443,064
Additions	-	1,659,722	1,659,722
CWIP Transfers	4,138,803	(4,138,803)	-
31 March 2020	42,889,330	2,213,456	45,102,786
Additions	1,450,808	2,201,896	3,652,704
31 March 2021	44,340,138	4,415,352	48,755,490
Depreciation:			
31 March 2019	32,953,968	-	32,953,968
Charge for the year	4,343,776	-	4,343,776
31 March 2020	37,297,744	-	37,297,744
Charge for the year	3,275,669	-	3,275,669
31 March 2021	40,573,413	-	40,573,413
Net book values			
31 March 2021	3,766,725	4,415,352	8,182,077
31 March 2020	5,591,586	2,213,456	7,805,042

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

10. LEASES

The company's leases primarily consist of agreements to secure right-of-use to spaces upon which the company erects telecommunication facilities including but not limited to monitoring stations. It is expected that in the normal course of business, leases that expire generally will be renewed or replaced by similar leases.

(i) Right-of-use assets

	<u>2021</u> \$	<u>2020</u> \$
Balance at the beginning of year	45,940,122	48,297,762
Additions to right-of-use assets	-	3,603,926
Amortisation charge for the year	(5,961,531)	(5,961,566)
Balance at the end of year	<u>39,978,591</u>	<u>45,940,122</u>
Weighted-average remaining lease term (in years)	10 yrs	10 yrs
Discount rate	10 %	10 %

(ii) Lease liabilities

Maturities of lease liabilities on an undiscounted basis as of year end are presented below along with the current and non-current lease liabilities on a discounted basis.

	<u>2021</u> \$	<u>2020</u> \$
Year ending 31 March		
2021	-	10,415,319
2022	13,009,714	8,661,503
2023	8,424,049	8,424,049
2024	6,445,114	6,445,114
2025	6,386,625	6,386,625
2026	5,863,215	-
Thereafter	<u>30,826,044</u>	<u>36,689,259</u>
Total payments on an undiscounted basis	70,954,761	77,021,869
Less: Present value discount	(21,817,167)	(25,917,220)
Present value of lease liabilities	49,137,594	51,104,649
Current portion	(9,431,091)	(6,346,320)
Non-current portion	<u>39,706,503</u>	<u>44,758,329</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

10. LEASES (CONT'D)

(iii) Amount recognised in profit or loss

	<u>2021</u> \$	<u>2020</u> \$
Included in operating expenses:		
Amortisation of right-of-use assets	5,961,531	5,961,566
Interest expense implicit in leases	4,069,001	4,362,963
Included in other income, net:		
Translation loss on lease liabilities	<u>31,052</u>	<u>1,049,344</u>
Total lease expenses	<u>10,061,584</u>	<u>11,373,873</u>

(iv) Amounts recognised in statement of cash flows

	<u>2021</u> \$	<u>2020</u> \$
Total cash outflows from leases	<u>6,067,108</u>	<u>6,209,346</u>

11. RECEIVABLES

	<u>2021</u> \$	<u>2020</u> \$
Trade receivables - Regulatory fees	17,605,074	48,473,251
Other receivables (I)	<u>38,038,373</u>	<u>12,565,986</u>
	55,643,447	61,039,237
Less: Impairment loss allowance	<u>(10,845,856)</u>	<u>-</u>
	44,797,591	61,039,237
Prepayments	<u>11,504,516</u>	<u>13,899,019</u>
	<u>56,302,107</u>	<u>74,938,256</u>
Movement in impairment loss allowance:		
	<u>2021</u> \$	<u>2020</u> \$
Balance at the beginning of year	-	411,651
Charge/(reversal) for the year	<u>10,845,856</u>	<u>(411,651)</u>
Balance at the end of year	<u>10,845,856</u>	<u>-</u>

(I) Other receivables as at March 31, 2021 include \$34,671,949 (2020: \$10,783,288) due from the Government of Jamaica [see Note 20(b)(i)].

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

11. RECEIVABLES (CONT'D)

Movement in impairment loss allowance (cont'd)

- (i) In determining the recoverability of a receivable, the company considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date.

12. TAXATION RECOVERABLE

Taxation recoverable represents taxes withheld at source on interest received on resale agreements and cash and cash equivalents, and amount paid as quarterly taxation installments prior to the company receiving confirmation of its Tax Exempt status.

Movement in taxation recoverable:

	<u>2021</u> J\$	<u>2020</u> J\$
Balance at the beginning of year	17,183,152	13,025,982
Taxes withheld at source during the year	<u>1,037,629</u>	<u>4,157,170</u>
Balance at the end of year	<u>18,220,781</u>	<u>17,183,152</u>

13. RESALE AGREEMENTS

The company enters into resale agreements collateralised by Government of Jamaica and/or Bank of Jamaica Securities.

These resale agreements include interest accrued of \$647,699 (2020: \$678,265) and have an average maturity period of 31 days (2020: 34 days).

	<u>2021</u> J\$	<u>2020</u> J\$
Resale agreements - J\$ equivalent of US\$	102,282,862	92,752,802
- J\$ currency	<u>586,353,195</u>	<u>656,342,816</u>
	<u>688,636,057</u>	<u>749,095,618</u>

The fair values of underlying assets for resale agreements amounted to \$717,521,341 (2020: \$765,833,145).

The weighted average effective interest rates at the reporting date were, as follows:

	<u>2021</u> %	<u>2020</u> %
US\$	2.08	2.18
J\$	<u>2.19</u>	<u>2.31</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

14. CASH AND CASH EQUIVALENTS

	<u>2021</u>	<u>2020</u>
	<u>\$</u>	<u>\$</u>
Cash in hand - J\$ Currency	75,000	75,000
Bank balances - J\$ Currency	<u>385,657,797</u>	<u>7,332,639</u>
	385,732,797	7,407,639
Bank balances - J\$ equivalent of US\$	<u>6,649,206</u>	<u>248,428,496</u>
	<u>392,382,003</u>	<u>255,836,135</u>

The weighted average effective interest rates at the year-end were as follows:

	<u>2021</u>	<u>2020</u>
	<u>%</u>	<u>%</u>
Cash at bank - US\$	0.06	1.57
- J\$	<u>0.27</u>	<u>0.42</u>

15. SHARE CAPITAL

	<u>2021</u>	<u>2020</u>
	<u>\$</u>	<u>\$</u>
Authorized - 100 ordinary shares of no par value		
Issued and fully paid - 2 ordinary shares of no par value	<u>20</u>	<u>20</u>

16. CONTRIBUTED CAPITAL

	<u>2021</u>	<u>2020</u>
	<u>\$</u>	<u>\$</u>
(i) Government of Jamaica	79,999,980	79,999,980
(ii) Government of Jamaica	<u>64,700,386</u>	<u>64,700,386</u>
	<u>144,700,366</u>	<u>144,700,366</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

16. CONTRIBUTED CAPITAL (CONT'D)

- (i) This represents funds advanced to Spectrum Management Authority Limited through Cable & Wireless Jamaica Limited in lieu of licence and spectrum fees as per heads of agreement between the Government of Jamaica and Cable & Wireless Jamaica Limited in 1999, Clause 7.4.4 and 7.5. These funds were used to finance the start-up operations of the company.
- (ii) This represents funds received from the Government of Jamaica to finance the company's capital programme which formed a part of the first phase of the company's two year business plan which commenced in the financial year 2004/2005.

17. DEFERRED CAPITAL GRANT

This represents the proceeds of funds paid to Spectrum Management Authority Limited by the Government of Jamaica, arising from a retention from the gross spectrum licence fees for a domestic mobile spectrum licence issued in March 2014. These funds are to be used to carry out capital expenditure geared towards improving the technical capacity of the company to monitor the use of the spectrum and to ensure that licensees have unencumbered access to the spectrum. Amounts are transferred from deferred capital grant and recognized in profit and loss in each and succeeding years based on the incremental increase in depreciation resulting from new capital expenditure on spectrum monitoring equipment from these funds. As of reporting date, these funds have not yet been utilized to carry out capital expenditure.

18. PAYABLES

	<u>2021</u> \$	<u>2020</u> \$
Tax Administration Jamaica:		
Spectrum licence fees	248,931,426	247,802,959
Accruals	<u>33,087,716</u>	<u>29,281,410</u>
	282,019,142	277,084,369
Customers' deposits	<u>8,405,882</u>	<u>1,243,805</u>
	<u>290,425,024</u>	<u>278,328,174</u>

Customers' deposits represent regulatory fees received in the month(s) prior to when the validity periods of the respective renewal licence(s) will begin.

Movement in spectrum licence fees:

	<u>2021</u> \$	<u>2020</u> \$
Balance payable at beginning of year	247,802,959	284,477,083
Spectrum licence fees received	1,485,550,251	1,637,448,874
Spectrum licence fees paid	<u>(1,484,421,784)</u>	<u>(1,674,122,998)</u>
Balance payable at end of year	<u>248,931,426</u>	<u>247,802,959</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

18. PAYABLES (CONT'D)

Spectrum licence fees payable represents amounts due to the Government of Jamaica (GOJ) recognised at the time they are received from customers, and are reflected as a "pass through" in the company's accounts. Normally, fees collected in any month are remitted to the Consolidated Fund in the subsequent month except for domestic mobile licences. All funds collected for the domestic mobile licences are remitted immediately in the month of collection to the GOJ Consolidated Fund.

19. DEFERRED INCOME

This is the unearned portion of regulatory fees that are billed during the financial year and represents the entire, or the proportionate number of months, of the validity period of applicable licences which fall outside the financial year.

Movement in deferred income:

	<u>2021</u> \$	<u>2020</u> \$
Balance at the beginning of year	170,774,163	127,543,740
Add: Amounts invoiced during year	564,483,628	491,218,741
Less: Transfers to revenue [Note 5(a)]	(528,293,686)	(447,988,318)
Balance at the end of year	<u>206,964,105</u>	<u>170,774,163</u>

20. RELATED PARTY TRANSACTIONS AND BALANCES

The following transactions were carried out with related parties:

(a) Compensation of key management personnel

	<u>2021</u> \$	<u>2020</u> \$
Salaries and other related costs:		
Key management personnel	<u>55,813,891</u>	<u>52,998,323</u>

The above amount includes compensation for the Managing Director in her dual capacity as a Board Director being \$6,489,320 (2020- \$14,611,305).

	<u>2021</u> \$	<u>2020</u> \$
Directors' fees:		
Board Chairman	188,900	166,500
Committee Chairman	149,800	222,000
Board members	1,072,000	924,000
Committee members	<u>461,500</u>	<u>444,000</u>
	<u>1,872,200</u>	<u>1,756,500</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

20. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

The following transactions were carried out with related parties (cont'd)

(b) Related party balances:

(i) Included in other receivables are:

	<u>2021</u> \$	<u>2020</u> \$
Due from related companies or agencies:		
Universal Service Fund	-	<u>344,160</u>
Due from Government of Jamaica	<u>34,671,949</u>	<u>10,783,288</u>

(ii) Included in payables is an amount of \$248,931,426 (2020: \$247,802,959) payable to Tax Administration Jamaica.

21. CAPITAL COMMITMENTS

As at the reporting date, the company had capital commitments totaling \$13,902,056 made up as follows:

- (i) \$7,616,129 has been committed towards the "Disaster Recovery Site" project, of which \$1,635,729 was spent, leaving an outstanding balance of \$5,980,400.
- (ii) \$7,921,656 has been committed towards the purchase of "Instruments and Monitoring" equipment. As at reporting date no expenditures were made.

22. CONTINGENCIES

In the ordinary course of business, the company is involved in litigation proceedings. The facts and circumstances relating to particular cases are evaluated in determining whether it is more likely than not that there will be a future outflow of funds and, once established, whether a provision relating to a specific case is necessary or sufficient. Accordingly, significant management judgement relating to provisions and contingent liabilities is required since the outcome of litigation is difficult to predict. The company does not expect the ultimate resolution of the actions to which it is a party to, have a significant adverse impact on the financial position of the company.

23. IMPACT OF THE COVID-19 PANDEMIC

The World Health Organization in March 2020 declared the novel coronavirus, COVID-19, as a global pandemic. As a first step the company instituted measures at its property to safeguard and protect its stakeholders by not only providing information to employees, business partners and clients, but equipping all personnel with supplies to prevent contagion and establishing protocols to access its premises. In addition, the company has been working with its staff to ensure common areas are thoroughly cleaned and sanitized and it implemented a flexi-work plan to minimize the number of employees in its premises whilst enabling a work from home strategy to continue operating the business. It is management's continued assessment that there has been minimal impact on the company's operations.



CREDITS

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