



B I P T

BELGIAN INSTITUTE FOR POSTAL SERVICES AND TELECOMMUNICATIONS

PRESS RELEASE

Skype fined by BIPT regarding the SkypeOut telecom service

Brussels, 15 July 2016 - Skype did not want to notify itself as a provider of electronic communications services for the SkypeOut service to the BIPT. Therefore it violates the Act. Because Skype did not notify itself as an operator, it by-passes the obligations imposed by the legislation applicable to operators. BIPT judges that the non-compliance of the notification obligation constitutes a serious violation, which can threaten the interests of users and competitors. For those reasons BIPT decides to impose a 223,454 EUR fine to Skype.

BIPT has repeatedly urged Skype to notify itself to BIPT as a provider of electronic communications services. Despite the reminders Skype has failed to fulfil the obligation imposed by the Telecom Act. That is why BIPT decided at the end of 2014 to inform Skype of its grievances regarding its non-compliance with the obligations. Skype answered in writing and was also heard at the beginning of 2015. Skype was heard again in 2016 and now it gets a decision from BIPT imposing a fine.

In that decision BIPT specifies that the SkypeOut¹ service constitutes an electronic communications service, because its legal components are fulfilled. Indeed, the service:

- is provided against payment,
- consists completely or mainly of signal transmission,
- over electronic communications networks.

The SkypeOut service is provided by the Skype company in its proper name and on its own behalf for use in Belgium. As a consequence under the Act Skype should have notified this service to BIPT. Skype has neglected to do so since 1 October 2013 and is now forced by BIPT to comply within a month.

The non-compliance with this obligation is a serious violation as Skype escapes the entire telecom legislation this way. The violation may threaten the interests of consumers and companies using the SkypeOut service, because the company escapes the rules of the Telecom Act, such as among other things rules regarding network security, data protection, access to emergency services and the possibility for users to appeal to the office of the Ombudsman for Telecommunications. It may also hinder the action of the Belgian authorities in that Skype is able to ignore obligations concerning data retention and cooperation with the authorities through a Justice coordination cell of its own. This non-compliance with the law finally also means unfair competition with providers who do fulfil their obligations.

For those reasons BIPT decides to impose a 223,454 EUR fine to Skype.

¹ SkypeOut makes it possible to call landlines and mobile numbers from a computer. No subscription is needed: first, the user has to buy some calling credit and then this credit functions as a kind of prepaid phonecard.

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