

**Decision No. 37/2008**  
**Rules for importing, exporting, re-exporting**  
**and usage of Encryption Systems and Equipment**

Pursuant to the Telecommunications Regulatory Act issued by the Royal Decree No. 30/2002 and;

The Executive Regulation of the Act referred to, issued by the Ministerial Decision No. 10/2007 and;

The approval of the Authority dated 12.12.2007 and;

Based on the exigencies of the public interest;

**It is resolved:**

**Article 1:** The annexed rules shall be enforced in importing, exporting, re-exporting and usage of encryption systems and equipment.

**Article 2:** All legal provisions contravening this Decision or conflicting with its provisions shall be repealed.

**Article 3:** This Decision shall be published in the Gazette and shall become operative from the date following its publication.

**Mohammed Bin Nasser Al-Khasibi**

**Chairman of Telecommunications Regulatory Authority**

**Issued on:** 15 Rabi Al Aw'wal 1429 H

**Corresponding to:** 23 march 2008

# **Rules for importing, exporting, re-exporting and use of Encryption Systems and Equipment**

## **Chapter One**

### **Definitions and General Provisions**

**Article 1:** Words and expressions set forth in this Resolution shall have the same meaning as in the Telecommunications Regulatory Act referred to, and the following words and expressions shall bear the meaning ascribed to them unless the context requires otherwise:

**Encryption:** A process whereby a plain text, a textual document or an electronic message is transformed into unknown or scattered symbols that are impossible to read or identify without decrypting them back to their original form.

**Dealing in Encryption Systems or Equipment:** Import, export, re-export, waiver, manufacturing, lease and trading in Encryption Systems or Equipment.

**Encryption Key:** A sequence of characters and numbers used by an encryption algorithm to encrypt plain text into cipher text and vice versa.

**Encryption System:** An organized assembly of tools, programs, processes, operations or equipment designed to perform encryption or decryption.

**PGP:** Stands for Pretty Good Privacy. An encryption system that provides a high level of confidentiality.

**SSL:** Stands for Secure Sockets Layer. A commonly- used protocol for managing the security of a message transmission over the Internet.

**Article 2:** Personal usage of any cryptographic software (such as PGP) or hardware is not allowed. Usage of SSL is an exception.

**Article 3:** Provisions stated in the attached Tables A, B & C shall be applicable in respect of fees and fines regarding dealing and usage of encryption systems or equipment.

## **Chapter Two**

### **Rules for dealing in encryption systems or equipment**

**Article 4:** Dealing in encryption systems or equipment shall only be permitted after obtaining the Authority's approval.

**Article 5:** The following shall be required to obtain the Authority's approval to deal in encryption systems or equipment:

- A. Registration with the Authority to deal in encryption systems or equipment.
- B. Submission of a statement showing type and specifications of all encryption systems or equipment intended to deal in.
- C. A sample of the encryption system or equipment intended to deal in, whenever requested by the Authority. Where samples are submitted, the Authority may retain them in whole or in part if the work interest so requires.
- D. Information as requested by the Authority regarding the dealing user.

The Authority must obtain the approval of the parties concerned prior to issuing its approval.

**Article 6:** Dealers in encryption systems or equipment shall annually renew their registration with the Authority.

**Article 7:** Dealers in encryption systems or equipment shall be prohibited from using such systems or equipment.

## **Chapter Three**

### **Rules for using encryption systems and equipment**

**Article 8:** The following shall be required to obtain a license to use encryption systems or equipment:

- A. Completion of all the details contained in the form designed for this purpose.
- B. Provision of the information requested by the Authority in respect of the dealer who supplied the user with the system or the equipment.

The Authority must obtain the approval of the parties concerned prior to issuing the license.

**Article 9:** The Authority may scrutinize and inspect the encryption systems or equipment before licensing their usage, and it may - whenever necessary- retain a sample and obtain the key.

**Article 10:** Duration of the license shall be for two years. The licensee shall renew the license one month before its expiry. Failure to renew the license will render the license revoked. The licensee shall notify the Authority if he intends not to renew the license.

**Article 11:** Provisions of Articles 8 & 12 of this resolution shall apply with regard to renewal or amendment of the license.

## Chapter Four

### Time frame to decide on requests for approvals and licenses

**Article 12:** Without prejudice to the provisions of Article 22 of the Telecommunications Regulatory Act referred to, the Authority shall decide on requests to deal in encryption systems or equipment or licensing their usage within 90 (ninety) days from the application date. Rejection of the application shall be substantiated and if no reply to the application was given within the said period, this shall be regarded as an implied rejection.

### Fees and fines regarding dealing in and usage of encryption systems and equipment

**Table (A)**

#### Annual registration and renewal fees for companies and establishments dealing in encryption systems and equipment

| Company Grade         | Registration Fee (R.O) | Renewal Fee (R.O) |
|-----------------------|------------------------|-------------------|
| International         | 160                    | 160               |
| Excellent grade       | 150                    | 70                |
| 1 <sup>st</sup> Grade | 60                     | 30                |
| 2 <sup>nd</sup> grade | 35                     | 20                |
| 3 <sup>rd</sup> Grade | 20                     | 15                |
| 4 <sup>th</sup> Grade | 10                     | 10                |
| Under formation       | 10                     | As per Grade      |
| Amendment Fee         | 10                     | As per Grade      |

**Table (B)**

**Fines collected from dealers in encryption systems or equipment**

| <b>S. No.</b> | <b>Reason for Fine</b>  | <b>Value of Fine</b>   |
|---------------|---|--|
| 1             | Dealing in encryption systems or equipment before registration with the Authority | Three times the registration fee   |
| 2             | Delay in renewing the registration  | A grace period is granted for 2 months, followed by a fine at 10% of the renewal fee for each month of delay. Any part of a month is considered as a full month. |

**Table (C)**

**Usage Fees of encryption systems and equipment**

|                                    | <b>Fees (R.O)</b> | <b>Remarks</b>                                  |
|------------------------------------|-------------------|---|
| <b>Application/ Amendment Fees</b> | 50                | Non-refundable                                  |
| <b>Issue/ Amendment Fees</b>       | 20                | Payable after approval of competent authorities |
| <b>Renewal Fees</b>                | 20                | Payable upon application                        |