

**Declaration on the cost accounting system of the telephone service at a fixed location, the leased line service and the interconnection service provided by
MEO - Serviços de Comunicações e Multimédia, S.A.,
for the 2018 financial period**

Whereas:

1. MEO – Serviços de Comunicações e Multimédia, S.A. (MEO) was declared to be a body with significant market power in the following markets:
 - Market for wholesale local access provided at a fixed location¹;
 - Market for wholesale central access at a fixed location for mass-market products²;
 - Market of high-quality electronic communications at a fixed location (access and transit segments)³; and
 - Wholesale markets for call origination on the public telephone network provided at a fixed location⁴;

2. In that capacity, the following obligations, among others, were imposed on MEO:
 - To maintain a cost accounting system (CAS) allowing price regulation measures imposed on access markets to be monitored, under paragraph 5 of article 85 of Law No. 5/2004, of 10 February, as amended (Electronic Communications Law - ECL);
 - To develop and put in place a costing and accounting separation system for wholesale leased line markets, pursuant to article 71 of ECL;
 - To implement a costing and accounting separation system for interconnection markets in the public telephone network at a fixed location, under article 71 of ECL;

¹ Determination of 23 March 2017, available at <https://www.anacom.pt/render.jsp?contentId=1408076>.

² Idem.

³ Determination of 1 September 2016, available at <https://www.anacom.pt/render.jsp?contentId=1395261>.

⁴ Determination of 14 August 2014, available at <https://www.anacom.pt/render.jsp?contentId=1318712>.

3. Under paragraph 6 of article 85 and paragraph 1 of article 76, both of ECL, it is incumbent on ANACOM to declare and publish on an annual basis whether the CAS complies with provisions referred to in point 2;
4. Since the establishment of the CAS, ANACOM has regularly promoted audits of this system by independent entities;
5. In the scope of the audit for the 2018 financial period, auditors drew up a declaration of conformity of the referred system with applicable provisions, and concluded that the CAS complies therewith, in all relevant material respects.

ANACOM hereby declares that the results of MEO's CAS for the 2018 financial year were produced in compliance with article 71 of ECL.