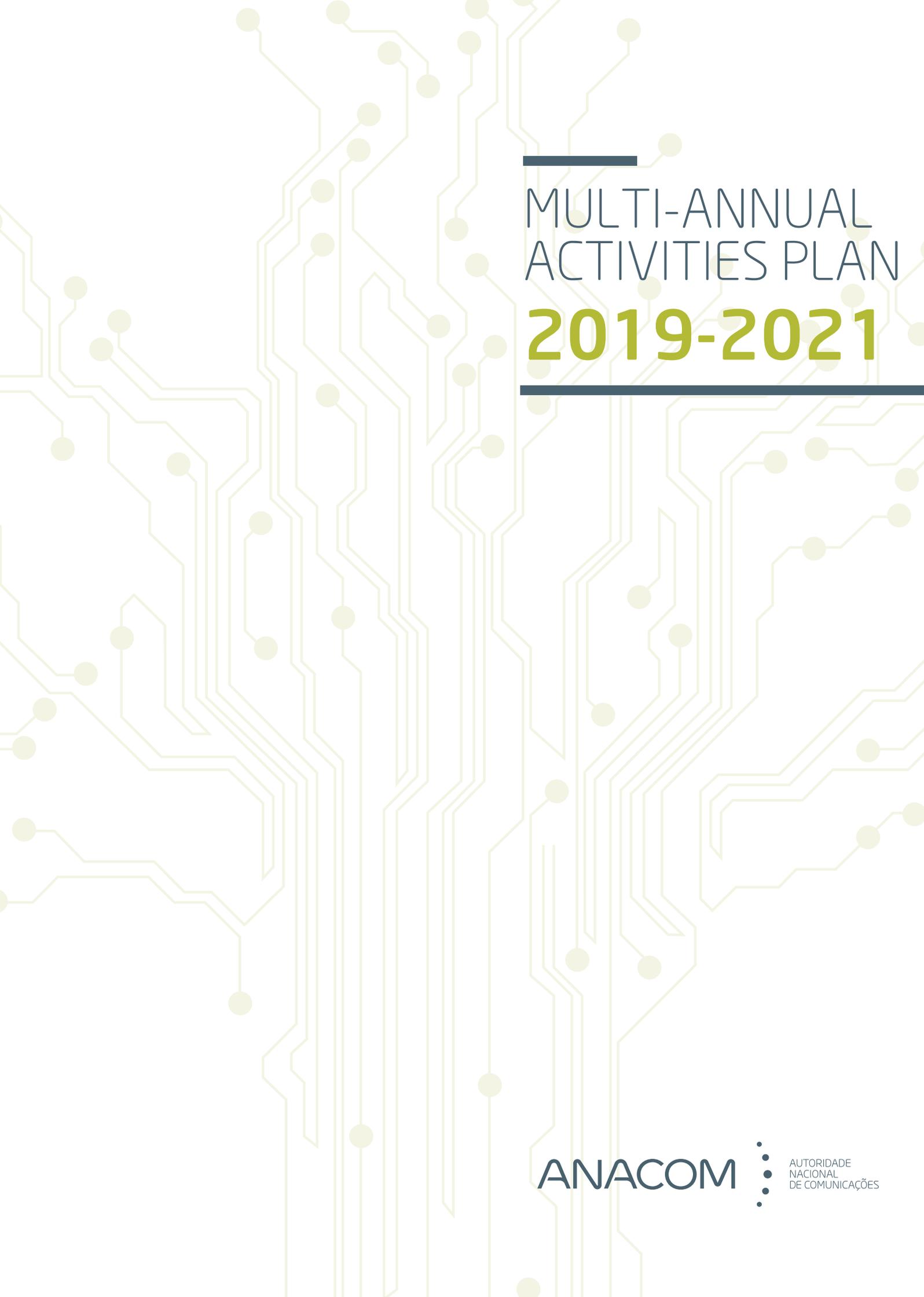

MULTI-ANNUAL
ACTIVITIES PLAN
2019-2021

ANACOM



AUTORIDADE
NACIONAL
DE COMUNICAÇÕES



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ACTIVITIES PLAN
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1. Executive summary

The Multi-Annual Activities Plan of the National Communications Authority (*Autoridade Nacional de Comunicações* - ANACOM) includes the strategic objectives for the 2019-2021 three-year period and the main actions that will be carried out during this period, with emphasis on those relating to 2019.

The strategic goals and the actions for the Plan were submitted to public consultation, a procedure which seeks to reinforce the transparency of its operations within the market, increasing regulatory predictability and promoting a greater involvement of all stakeholders in the preparation of ANACOM's activity structure. The final version of the Plan now being published considers the contributions received as outlined in the consultation report also being made available.

This document outlines the strategic line of action for ANACOM for the next three-year period, which will focus on its capacity to contribute to the Country being able to obtain the maximum benefit in terms of choice, price, quality and security for the postal services and electronic communications, through active and demanding regulation which promotes efficient investment, facilitates the sharing of infrastructure and ensures fair and dynamic competition.

ANACOM will actively commit itself to ensuring maximum protection of the rights of users of communications throughout Portugal and, in particular, of more vulnerable populations, promoting a regulatory environment which gives priority to information transparency and which discourages and sanctions bad practices.

It will also seek to strengthen and be responsible for regulation in Portugal, fully respecting its autonomy, exemption and independence and the requirement to be scrupulously compliant with this mission, through the sharing of information and knowledge and the promotion of efficiency and economy of resources and means which are indispensable to the full undertaking of its responsibilities.

The people who make up the permanent staff of ANACOM are its key asset in fulfilling the activity plan outlined by ANACOM for the 2019-2021 three-year period. As such, their management will continue to be a strategic priority in the next three years, particularly in those aspects connected to training, improving working conditions, reconciling professional

life with family life, renewing its permanent staff, assessing and rewarding performance and career progression.

Given this context, a new organisational solution will be implemented which seeks to improve the organisation and functioning of ANACOM, in order to make it more agile, dynamic and effective in carrying out its duties.

In terms of human resources needs, it is assumed that, at any period of time, the limit on the employees established in this 2019 plan will be maintained, that is, the human resources plan will always be governed by the forecast complement of 423 employees (equal to the 2018 complement) and will be carried out within the budget framework for the current year.

The financial plan for the 2019-2021 period will remain focused on rationalising expenses and by a careful evaluation of all expenditure, but also with the aim of maintaining ANACOM's capacity to act in the regulatory and supervisory areas.

ANACOM's revenues in 2019 are estimated to rise to 94.5 million euros, 3 percent higher than that budgeted for 2018. In terms of expenditure, the budget for 2019 provides for a total of 62.5 million euros, representing an increase of 7 percent in relation to that budgeted for 2018. This is mainly due to expenditure for provisions for legal cases in progress, amortisations, depreciations, impairments and contributions to the Competition Authority (AdC) and arbitration centres.

Net profits for the period covered by the Plan are forecast at 31.9 million euros in 2019, 30.5 million euros in 2020 and 31.8 million euros in 2021.

2. Background

In 2019 ANACOM will have completed 30 years of activity as the national regulator for the electronic communications and postal sector in Portugal, an activity complemented by its mission to assist the Government in this field.

ANACOM, as an independent administrative authority endowed with administrative, financial and management autonomy, as well as with its own assets, hereby sets out a three-year development strategy for its activity, which is embodied in strategic goals established for the three-year period and implemented through a multi-year activities plan, which is subject to public consultation with regard to the main strategic guidelines which govern it (article 47, paragraph 1 of the Statutes of this Authority, approved by Decree-Law No. 39/2015, of 16 March).

The submission for public consideration is part of ANACOM's operational strategy which is characterised by an ongoing openness and willingness to listen to all interested parties. Based on this guiding principle, ANACOM analysed all the contributions it received, which were studied and integrated within the 2019-2021 multi-year activities plan, in this way seeking to make its activity more effective within the context of the duties assigned to it by law.

ANACOM will continue to be guided by high standards of quality, particularly economic efficiency in its management and exemption, rigour and transparency in its activity, resorting to its regulatory, supervisory, enforcement and disciplinary powers whenever necessary in a proportional and suitable manner. It is also ANACOM's intention to continue to promote regular meetings on relevant issues for the sector, to hear stakeholders and to build solutions, in an open way prior to the usual processes of public consultation which precede its decisions.

The structure of the 2019-2021 plan, which is outlined below, is based on:

- Strategic goals: established for the three-year period which provide structuring to enable compliance with the tasks imposed upon ANACOM.
- Actions: specific activities which aim to contribute towards carrying out the strategic goals, within an annual or multiannual period of time.

In general terms, the activity to be carried out in the 2019-2021 period takes place within the aforementioned strategic goals and ANACOM is attentive and in its action takes into consideration:

- technological developments in the sector, modernisation of infrastructure, new solutions for networks, services and terminal equipment, and ongoing changes in business models, market structure and commercial offers;
- the European development of the digital single market (DSM), in particular the new EU Electronic Communications Code, which envisages a significant reinforcement of the duties of the Body of European Regulators for Electronic Communications (BEREC), in many aspects connected to its implementation;
- the developments led by the European Regulators Group for Postal Services (ERGP), which ANACOM will head in 2019 and whose action will include particular emphasis on the review of the Postal Services Directive and implementation of EU Regulation concerning cross-border parcel delivery services (Regulation 2018/644, of 18 April 2018), which seeks to increase price transparency and improve the regulatory supervision of these services;
- initiatives taken at the international level, particularly under the aegis of the International Telecommunications Union (ITU) and the Universal Postal Union (UPU), which will have an impact on the development of the communications sector on a global scale;
- the commitments which are being established through cooperation with the regulatory authorities of other countries, where the exchange and coordination with regulators from Portuguese-speaking countries takes on a particular importance;
- the impact of decisions at the national level regarding the future scope and funding of the Universal Service (US) for electronic communications and postal services;
- the need for an increased focus on issues of consumer protection, particularly those associated with applying that established in terms of invoicing and complaints and the implementation of the open internet regulation (net neutrality) which may undergo revision during the plan's three-year period, considering new offers of applications and data packets by internet service providers (ISP) and over the top (OTT) operators -

involving ongoing assessment of zero-rating and similar offers and traffic management practices, Internet quality of service and transparency of information for end users;

- the conclusion of the negotiation and the subsequent entry into force of the Regulation which will enshrine the revision of the e-Privacy Directive, which will have important impacts on the electronic communications sector.

In terms of technological developments and strong market dynamics, it is expected that the sector will continue to invest in the expansion of high-speed optical fibre networks in the 2019-2021 period, to ensure full coverage in national territory, preferably through co-investment solutions and a greater sharing of infrastructures, benefiting from the changes already introduced or to be introduced in the respective wholesale offers, strengthening 4G coverage and preparing for the introduction of 5G technology and the new standards for next generation fixed networks.

In terms of broadband services, there will be a massification of high capacity IP services (video streaming in the case of consumers and cloud supported services in the case of companies). It is also expected that smartphones and other devices will be developed and used with increased processing capacity and memory, supporting increasingly sophisticated and more resource-intensive applications.

Meanwhile, with the convergence of networks and services, and the increasing use of IP networks to route electronic communications, using E.164-based addresses based on ENUM-type solutions, and in light of its powers and responsibilities, ANACOM will need to define the principles and rules associated with the National Numbering Plan (NNP) and also reassess the conditions of implementation and operation conditions associated with the User-ENUM pilot experiment.

Strong growth is therefore predicted in services and applications supported by data transport as well as in services and applications related to the Internet of Things (IoT/M2M), to the detriment of traditional forms of voice and message communications, There are also further technological developments that will affect all ICT sectors generally, including communications, such as artificial intelligence, cyber-physical systems, megadata, virtual reality, augmented reality, etc.

3. Strategic goals

Considering the responsibilities which result from its Statutes and other national and EU legislation and given the ecosystem of which it forms part and the context of the sector in which it operates, ANACOM will carry out its 2019-2021 multiyear activities plan based on the following three strategic goals:

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Contribute to the Country being able to obtain the maximum benefit in terms of choice, price, quality and security for the postal services and electronic communications, through active and demanding regulation which promotes efficient investment, facilitates the sharing of infrastructure and ensures fair and dynamic competition.
- 

Ensure maximum protection of the rights of users of communications throughout Portugal and, in particular, the most vulnerable populations, by promoting a regulatory environment which gives priority to information transparency and which discourages and sanctions bad practices.
- 

Strengthen and be responsible for regulation in Portugal, fully respecting its autonomy, exemption and independence and the requirement to be scrupulously compliant with this mission, particularly through the sharing of information and knowledge and the promotion of efficiency and economy of resources and means which are indispensable to the full undertaking of its responsibilities.

These strategic goals seek to reinforce ANACOM's effectiveness in complying with its mission, which is essential for sustained development in the communications sector, meeting the needs of all users and defending the rights of citizens through specific measures, underlying which is always the aim to promote competition, effective investment, network quality and new generation networks and services.

The **1st strategic goal** covers all the activity carried out in revising the regulatory framework for the sector, the relevant market analyses and regulated wholesale offers, as well as

access conditions to electronic communications networks and the postal network and the telecommunications infrastructures in buildings and urbanisations and suitable infrastructure for housing electronic communications networks, including their respective security and resilience, as well as the planning and management of public assets such as the radio spectrum and numbering resources. As mentioned above, this first strategic goal is carried out within a perspective of promoting competing markets, with incentives for effective investment and innovation, seeking to satisfy the needs of users, benefiting consumers and the economic fabric in general, in terms of choice, prices, quality, innovation and the security of the services provided.

The **2nd objective goal** includes all activity related to the protection of the rights of users, including the regulation and supervision of matters such as the electronic communications and postal service US (including in this case the density of the postal network, the quality of the service and prices), digital terrestrial television (DTT), mobile services and broadband coverage, clear information for consumers, handling of complaints, out-of-court settlement of consumer disputes and the neutrality and quality of service of electronic communications networks.

The **3rd strategic goal** reinforces the importance of autonomy, exemption and independence as dimensions which must constitute essential axes of its action and are indispensable for ANACOM to fulfil its mission as the regulatory authority. To carry out this requirement, a priority goal involves sharing data and information, in developing knowledge resources, as well as promoting an economy of resources indispensable to the full assumption of its responsibilities.

Given the strategic goals identified above and in order to make these happen, considering the implementation foreseen for the 2018 plan and naturally without prejudice to other actions the need/urgency of which will be identified throughout 2019, this Plan specifies a broad set of strategic actions. It should be noted that some of them, due to their nature, form part of more than one strategic goal, such actions which will be developed along with activities of a more recurrent nature and also mentioned in the following chapter.

4. Action priorities for 2019-2021

Various actions which have been planned and centred mainly on the first year - 2019 - of the three-year period will now be highlighted, particularly due to their strategic relevance and innovative nature compared to previous years or their direct short-term impact on the market.

- 1. Prepare contributions for the review of the Electronic Communications Law, particularly in the light of the recommendations ANACOM presented to the Government in 2018 concerning the electronic communications US and considering the new Electronic Communications Code;**
- 2. Intervening within the framework of its powers to develop conditions creating accessibility and quality in the provision of the universal postal service, and to promote competition within the postal sector, as well as defining the future framework of the US postal provision.**
- 3. Analyse broadband markets and high-quality accesses. (3a/3b and 4);**
- 4. Update the regulatory framework and information sharing systems applicable to the telecommunications infrastructure, particularly as regards urban settlements, housing developments, groups of buildings and buildings;**
- 5. Prepare and submit pre-draft legislation to the Government for transposing the review of the European regulatory framework for electronic communications¹;**
- 6. Analyse RDAO (reference offers of access to ducts), RPAO (reference offers of access to posts), CAM (Continent - Azores -Madeira) and inter-island circuits and DTT pricing;**
- 7. Analyse the impact of implementing national roaming solutions;**

¹ Electronic Communications Code

- 8. Approve the Regulation on pricing methodology for access and use of suitable infrastructure provided for in Decree-Law no. 123/2009, of 21 May, in its current wording;**
- 9. Cooperate in building a nationality strategy for interconnecting submarine cables in Portugal, to boost their use for the development of communications and for other purposes, such as seismic measurements, environmental protection and scientific research;**
- 10. Implement the Regulation on the security and integrity of electronic communications networks and services;**
- 11. Promote the implementation of measures to improve the protection and resilience of electronic communications infrastructure, particularly in situations involving extreme events or catastrophes;**
- 12. Contribute, in cooperation with the ANPC -Autoridade Nacional de Proteção Civil (National Authority for Civil Protection) towards defining emergency policies for networks;**
- 13. Develop the actions necessary for the introduction of 5G in Portugal, particularly those related to the allocation of the 700 MHz band (and other relevant bands);**
- 14. Prepare the relevant standards for numbering, including the review of the conditions of use of geographical (and mobile) numbers for CLI (Calling Line Identification) and the creation of a specific NNP range for M2M (machine-to-machine) services.**
- 15. Create new indicators and integrated approaches for data relevant for the market and for regulation, such as diverse price indexes for electronic communications services;**
- 16. Reformulate and rationalise the reporting system and the production of statistics for the communications sector, including contributing towards improving the tourism statistics system using mobile communications information;**

- 17. Assess cross-border tariffs for postal parcels pursuant to EU Regulation;**
- 18. Implement and monitor the solution to be adopted for promotion of out-of-court settlement of conflicts in the communications sector;**
- 19. Conclude regulation for procedures to be followed in the handling of complaints;**
- 20. Analyse the reasons underlying the availability of zero-rating offers and specialised services and prepare the annual report provided for in the TSM Regulation;**
- 21. Check compliance with coverage obligations and disseminate data about quality of service (QoS) of mobile networks;**
- 22. Plan and implement actions to ensure the population's access to free television after 2020.**
- 23. Improve the quality of interaction and communication with society by disseminating ANACOM's mission and the activities it carries out more widely.**
- 24. Modernise spectrum monitoring and control centres;**
- 25. Develop cooperation actions with local authorities and those close to local populations which can contribute towards developing digital literacy and the communications sector throughout Portugal;**
- 26. Develop partnerships with entities from the national scientific and technological system.**
- 27. Ensure the presidency of the ERGP and contribute to an effective action of BEREC, the RSPG and other international organisations of which ANACOM is part in carrying out projects scheduled during the period of the Plan, as well as carrying out the objectives outlined for the ITU's World Radiocommunication Conference (WRC-19).**

It should be emphasised that these more strategic activities will be carried out with other more regular ones which are not detailed here. This is the case with activities related to the monitoring and enforcement of equipment and services markets and the obligations of operators, in particular in providing the US (in terms of prices, geographical coverage and quality of service) and the reimbursement of the respective net costs and the application of specific protection measures for users and citizens and conditions for the use of limited resources, as well as the production of various annual audits provided for in law and sanctioning infringements in the event of non-compliance with applicable legal and regulatory provisions.

Activities advising the Government and the Portuguese Parliament will also be carried out particularly regarding legislative initiatives related to the review of the Electronic Communications Act and, as mentioned in the 2019 State Budget draft Law, the future of the electronic communications universal service and the connection strategy for the Autonomous Regions using new submarine cables. The same applies to institutional cooperation with many entities in the public sector, particularly with all the other regulatory authorities.

Bilateral cooperation and active ongoing participation will also be carried out with international organisations, particularly European organisms of regulatory authorities such as BEREC and the ERGP, as well as the close cooperation partnerships established with regulators from Portuguese-speaking countries.

ANACOM will also carry out the updating and technical development of information applications/systems such as SIIA (Information System of Suitable Infrastructures), ComEscolha, NET.mede and the complaints management system, as well as laboratory tests which verify equipment conformity with CEM directives – electromagnetic and RED compatibility – radio equipment from the EU and the calibration of its own measurement and testing equipment.

5. Global indicators

To assess the efficiency, efficacy and quality achieved in carrying out its activities (article 40, paragraph 1 of ANACOM's Statutes), the following two main performance indicators will be taken into consideration:

ID 1 - Execution of the Plan: this indicator measures the number of actions fully carried out compared to the total number of actions which form part of the plan (also considering actions which may be added or withdrawn).

ID 2 - Percentage of decisions taken within the established period established: this indicator corresponds to the percentage of decisions taken within the period established by ANACOM.

6. Human resources plan

The people who make up the permanent staff of ANACOM are its key asset in fulfilling the activity plan outlined by ANACOM for the 2019-2021 three-year period. As such, their management will continue to be a strategic priority in the next three years, particularly in those aspects connected to training, improving working conditions, reconciling professional life with personal and family life, renewing its permanent staff, and assessing and rewarding performance and career progression.

Given this context, a new organisational solution will be implemented which seeks to improve the organisation and functioning of ANACOM, in order to make it more agile, dynamic and effective in carrying out its duties. To achieve this, the new organisational structure will be based on teams formed in different ways with well-defined focuses, emphasizing multidisciplinary organisation to ensure flexibility within the teams regarding their members and leaders. Senior management positions will be selected using tendering procedures under the applicable legal terms.

ANACOM's capacity to attract and retain its most qualified employees will pose an added challenge to carry out both qualified technical functions as well as leadership duties with considerable strategic impact.

In order to respond to the challenges of the next three-year period, the main areas of intervention in the field of human resources are as follows:

- Carry out recruiting processes to hire those with the professional profiles most suited to the new organisational model and to prepare ANACOM for its present and future needs by ensuring ongoing rejuvenation, so that its human resources are best prepared for the challenges demanded of it at any moment as well as the sustainability of the organisation;
- Foster training and development programmes for each member of staff, aimed at the acquisition of new capabilities and updating functional and behavioural competencies and management skills, particularly through learning and knowledge-sharing between the different areas of ANACOM in line with its values and the organisation's strategic performance goals;

- Develop employees in order to ensure the continuity of ANACOM's critical functions, through implementation of diagnostic tools that enable their development and their retention, as well as knowledge and preparation of the structure for the future;
- Promote an organisational culture geared to the dematerialisation of processes and to the sharing of information in real time, in order to streamline and simplify day-to-day management, as well as support decision-making;
- Engage and consolidate the strategic alignment of staff with an organisational culture that is more open to change, using internal communication channels and interaction initiatives at all organisational levels;
- Promote a policy of incentives and professional career development based on recognition of merit in employee performance;
- Retain and motivate employees through the implementation of a programme to reconcile professional, family and personal life, promoting the management of diversity and gender equality, and adopting initiatives based on best practices, particularly as advanced through EU regulations;
- Continue collaborative actions between ANACOM and the academic community, particularly through carrying out annual programmes of professional and curricular internships and enable allocation of research grants for the development and enhancement of skills among young people in transition to their working lives.

ANACOM also intends to maintain its participation in citizen initiatives with a social and environmental focus.

ANACOM's new organisational model was designed in harmony with the legal framework which encompasses the Authority's activity, as a legal person governed by public law, with the nature of an independent administrative body, endowed with administrative, financial and management autonomy, as well as with its own assets.

The new structure will necessarily bring new challenges, which will be directly reflected in the mechanisms to implement this, of note among which will be the opening of tendering procedures by ANACOM which may be i) both external and internal for senior management

positions and for other situations which justify external recruitment, albeit for technical posts, or ii) only internal, with this always being based on a careful case-by-case basis.

In this way, this Authority will, within the scope of its management autonomy, comply with the rules set forth in its Statutes for the recruitment of workers (Article 42, paragraph 2) and those resulting from the Framework law of independent administrative bodies playing a role in the regulation of the economic activity of the private, public, cooperative and social sectors, approved by Law No. 67/2013, of 28 August, in its current wording (Article 32, paragraph 3), as well as the procedures defined in current budgetary rules (particularly, Article 53 of Law No. 71/2018, of 31 December (LOE 2019) and paragraph 1 of Article 144 of Decree-Law No. 33/2018, of 15 May, which establishes the implementing rules for the 2018 State Budget – DLEO 2018 – and which is in force until the publication of the diploma which establishes the implementing rules for the 2019 State Budget) and will include the applicable legal provisions that are to be approved specifically with regard to the implementation of the 2019 State Budget.

The recruitment will include senior leadership and staff profiles, all of them necessary to fulfil the public interest goals which govern the duties assigned to ANACOM, in the areas of market regulation, supervision, legal and disciplinary regulation, among others which, in the very near future, will take on an increased role. The recruitment to be carried out is duly supported by a cost-benefit analysis and shall comply with the requirement laid down in paragraph 2 of Article 144 of the DLEO 2018.

As regards the top management posts in the new structure, there will be a need to carry out tendering procedures to fill the managerial positions.

ANACOM shall comply with the requirement set out in subparagraph c) of paragraph 3 *ex vi* of paragraph 2, both of article 144 of the DLEO 2018, that is, as already mentioned, within the restructuring, and also in response to the legal requirements, internal and external recruitment procedures will be adopted, and, in the case of technical posts, it is expected that it will not be possible to meet all needs through the use of employees who are already carrying out duties at ANACOM, through professional development or through other mobility instruments.

Moreover, it should be borne in mind that, throughout 2018, various employment contracts terminated, with the departure of employees belonging to ANACOM's staff, a situation

which, along with the added duties and responsibilities which result in particular from a legal framework for the sector undergoing alteration due to EU legal requirements, the need for organisational rejuvenation has become essential, and even more so when considering that at the end of 2018 the average age for employees was 49 years of age.

It can therefore be seen that it is essential for ANACOM to swiftly open the corresponding tendering procedures for the positions to be filled at the end of 2018 (27 positions), based on the overall forecast complement for that year (423 employees) and the number of employees at the end of the same (396). Only in that way can this Authority carry out the goals laid out for the 2019-2021 three-year period and fulfil the duties legally provided for it in critical areas. In addition, needs of a technical nature must be met which have to be filled within the context of career mobility opportunities resulting from its reorganisation.

It is considered equally essential that ANACOM continues to have the necessary flexibility to carry out the external recruitment of new employees throughout 2019 whenever employees leave – which is currently foreseen (particularly due to retirement) but the date this will take place is unknown –, a situation which may compromise its response to legally established obligations, both in terms of market regulation and also advice to the Government, if the conditions were not there to immediately provide replacements.

In either case it is assumed that, at any period of time, the limit on the employees established in this 2019 plan will be maintained, that is, the human resources plan will always be governed by the forecast complement of 423 employees (equal to the 2018 complement) and will be carried out within the budget framework for the year in progress.

Finally, ANACOM reiterates its commitment to continue to comply in a timely and comprehensive manner with the duties of information established in Law No. 57/2011, of 28 November, in its current wording, as required by subparagraph d) of paragraph 3 *ex vi* of paragraph 2, both of article 144 of the DLEO 2018.

7. Financial plan

In the present Financial Plan, ANACOM continues to focus on improving efficiency in its activities and on the rationalisation of spending and investment as a strategic priority, seeking progressive reductions in the regulatory fees applied to the sector. This must be accomplished while maintaining the means necessary to take effective action as an independent regulator in a scenario of increasingly demanding and complex regulation, and given the increased powers and responsibilities conferred upon ANACOM as a result of European directives and national legislation.

Under ANACOM's Statutes, approved by Decree-Law no. 39/2015 of 16 March, it is set out that ANACOM is financially independent, endowed with resources as are necessary and appropriate for the accomplishment of its functions and with autonomy as regards the management of its finances and assets.

ANACOM is not subject to the public accounting rules or to the regime of autonomous funds and services, except in respect of net income resulting from the use of assets in the public domain (for example, the radio spectrum), income from which shall revert to the Portuguese State under terms defined by administrative ruling of the Government.

The Statutes also make ANACOM subject to the State Treasury Regime, whereby ANACOM employs the services of IGCP - *Agência de Gestão da Tesouraria e da Dívida Pública* (Portuguese Treasury and Government Debt Agency).

Of note also is that in 2018, under Administrative Rule no. 41-A/2018, of 2 February, the net income in respect of 2016 was distributed, amounting to 35.972 million Euros, accomplishing the stipulations of ANACOM's Statutes. Distribution of net income from 2017 remains pending.

Under its Statutes, ANACOM's accounting is organised in accordance with the SNC - *Sistema de Normalização Contabilística* (National Accounting System). The 2019 Budget and the 2019-2021 Financial Plan have been prepared in accordance with the rules of the SNC and reflect the financial quantification as is appropriate and necessary for the execution of activities set out in the MultiAnnual Plan, as presented above.

7.1. Budget 2019

7.1.1. Investment

The 2019 investment budget (Annex II –Table 5) retains focus on the modernisation and re-equipping of ANACOM's monitoring and inspection activities, both in terms of the technological upgrading of equipment and in terms of improving infrastructure at sites where spectrum monitoring and control centres operate, including the improvement of the working conditions in facilities owned by ANACOM and the necessary updating of the information systems used, specifically in aspects related to the renewal of servers, as part of ANACOM's broader IT consolidation programme in the context of the Strategic Plan for Information Systems (PESI). This work is essential to ensure that ANACOM retains the ability to keep pace with the transformations of the communications industry and to fulfil its assigned functions and responsibilities.

Total investment planned for 2019 is 3.963 million euros, representing an increase of 9 percent compared to the 2018 budget. The most important projects and investments planned in 2019 include:

- upgrade and modernisation of existing infrastructure for monitoring and control of the radio spectrum (MCE), acquisition of equipment for the new communication systems and updating equipment which supports the various SINCRER - *Sistema Nacional de Controlo Remoto das Emissões Radioelétrica* (National System for Remote Control of Radioelectric Emissions) stations.
- renewal and consolidation of the computer system, adapting the infrastructural technological strongpoints, both in terms of hardware, and software and applications supporting ANACOM's activities, resulting from the digital transformation, mobility and accessibility linked to the PESI measures;
- renovation of premises/buildings, responding to the needs for infrastructure improvement at sites where spectrum monitoring and control centres operate, as mentioned above, and generally improving working conditions at these premises.
- acquisition of administrative equipment to substitute equipment which is worn out or obsolete.

7.1.2. Income

The 2019 income budget (annex II – table 6) results from the application of fees pursuant to prevailing legislation. The final figures also considered the nature of each service; the income budget comprises the following situations:

- (1) administrative regulation fees for electronic communications; these are based on the principle of cost orientation, and to this extent vary depending on the level of costs incurred by ANACOM in regulating electronic communications activities (these fees represent around 35.7 percent of total income);
- (2) fees associated with the use of spectrum frequencies (these represent 59.9 percent of total income), which stem from the occupation/use of a scarce public resource - the spectrum should be used efficiently, with fees charged on a “user pays” basis;
- (3) fees associated with the use of numbering (representing 1.8 percent of total income);
- (4) administrative regulation fees for postal services; these are based on the principle of cost orientation, and to this extent vary depending on the level of costs incurred by ANACOM in regulating postal services (these fees represent 2.1 percent of total income);
- (5) other fees and revenues, including interest earned from financial applications in IGCP, which make up a residual proportion of income (0.5 percent of total income).

The legal framework governing the fees provided for in the 2019 Budget is as follows:

- Fees resulting from the activity of regulation of electronic communications, which refer to:
 - the issue of declarations supporting rights issued with regard to exercise of the activity of supplier of electronic communication networks and services, allocation of rights of use of frequencies and allocation of numbering;
 - exercise of the activity of provider of publicly available electronic communication networks and services;

- use of frequencies;
- use of numbering.

The legislation supporting the application of the aforementioned fees and the corresponding tariff structure is the following:

- LCE - Lei das Comunicações Eletrónicas (Electronic Communications Law) - Law no. 5/2004 of 10 February, as amended and republished by Law no. 51/2011 of 13 September and as subsequently amended, which establishes the legal regime applicable to electronic communications networks and services and to associated resources and services; and Decree-Law no. 264/2009 of 28 September, which establishes the regime applicable to the licensing of radiocommunications networks and stations, supervision of the installation of said stations and use of the radio spectrum, together with the sharing of radiocommunications infrastructure;
- Administrative Rule no. 1473-B/2008 of 17 December, as amended by Administrative Rule no. 96-A/2013 of 2 October, by Administrative Rule no. 378-D/2013 of 31 December and by Administrative Rule no. 157/2017 of 10 May.
- Fees in respect of the activity of postal services operator – the regulations which govern this activity are as follows:
 - Law no. 17/2012 of 26 April, subject to subsequent amendments, which establishes the regime governing access to and exercise of the activity of provider of postal services in competition;
 - Administrative Rule no. 1473-B/2008 of 17 December, as amended by Administrative Rule no. 96-A/2013 of 2 October.

- Other fees – due to their importance, reference is made to the following legislation:
 - fees payable for use of the amateur radio service - Decree-Law no. 53/2009 of 2 March lays down the rules that apply to use of the amateur radiocommunications service, and Administrative Rule no. 1473-B/2008 of 17 December, as amended by Administrative Rule no. 296-A/2013 of 2 October, which establishes the fees to be charged;
 - fees for access to and providing the audiotext service - Decree-Law no. 177/1999, of 21 May, establishes the access regime and Administrative Rule no. 567/2009, of 27 May, which establishes the fees to be charged.
- Other services provided and other income:
 - testing and calibration of equipment - the amounts included under this item refer to services provided by ANACOM in the context of the tasks assigned to it and result from the application of a specific tariff, as determined by its Board of Directors;
 - enforcement actions – this heading comprises revenues resulting from enforcement actions, including applied fines and inspections, as determined by its Board of Directors.
 - interest and other similar income – sums recorded under this heading essentially result from income obtained from forecast interest on financial applications in CEDIC - *Certificados Especiais de Dívida de Curto Prazo* (Special Certificates of Short-Term Debt) over the course of the year;
 - EU subsidies – these amounts refer to travel to meetings and conferences within the EU, in accordance with the tasks assigned to ANACOM, in cases where travel expenses are reimbursed by the European Union;
 - other income – this heading covers income and gains of low value or of an occasional nature, including as arising from the sale of scrap, assignment of assets, etc., as well as extraordinary items and accounting adjustments.

In the 2019 budget, income is expected to total 94.487 million euros, an amount which

exceeds expected income in the 2018 budget (by 2.7 million euros). This increase in income stems from the following effects:

- increase of approximately +1.4 million euros in administrative electronic communications regulation fees, as a result of an increase in litigation provisions. The sum of these provisions forecast for 2019 is based on perspectives concerning the evolution of litigation procedures.
- increase in litigations requested by operators, based on the use of fixed service frequencies, which has resulted in an increase of 1.5 million euros;
- increase in postal services regulation fees, due to updating the amount of such provisions, the effect of which is +0.2 million euros.
- decrease in interest and other similar income due to the fact that the IGCP is paying a 0% rate for financial applications in CEDIC, the impact of which is -0.4 million euros.

7.1.3 Expenses

In 2019, ANACOM will continue to pursue measures which improve internal efficiency and rationalise expenditure. Since such measures have been pursued already over a number of years, the reduction potential is now naturally smaller, with a focus on specific actions, especially: (i) the implementation of the new server park, involving its substitution, with mechanisms with greater efficiency, which has allowed for economies in maintenance costs; (ii) renegotiation of software contracts by reducing the number of licences and the respective amounts, and also a reduction in the amounts paid for the maintenance of applications; (iii) reduction in spending on specialised works; (iv) reduction in the amounts spent on databases and technical subscriptions, through rationalisation of such supports; (v) reduction in the number of trips abroad and the number of days spent at meetings and events; (vi) renegotiation of the printing and copying park contract to obtain more advantageous conditions.

Part of the economies from expenses is designed to cover the impact of a set of external factors, not within the control of ANACOM, as are the evolution of provisions, the level of contributions defined by law (for example, for the AdC), the operationalisation of a support plan for users related with the DTT migration to a new frequency band and compliance with legislation which has determined that regulatory entities should bear part of the operating costs of arbitration centres for alternative dispute resolution (Articles 16 and 17 of Law no. 144/2015, of 8 September, under implementation).

In 2019, external supplies and services will reach 10 054 million euros, which represents a reduction (-43 thousand euros, -0.4 percent) compared to the budgeted amount in 2018 (annex II - table 7). This item is one that is most illustrative of the savings derived from the cost-cutting measures that ANACOM has been implementing. As such, a reduction is expected in most lines of expenditure, particularly for the items books and technical documentation (technical databases), travel and stays abroad, insurance and maintenance and repair (renegotiation of IT contracts). The increase in the other supplies and services item accommodates the necessary amounts for the DTT migration support plan for a new frequency band.

With regard to staff costs, the amount provided for in the 2019 budget (annex II - table 8) includes the staffing level approved by the Board of Directors, which is the same as in 2018 (423 employees), the completion of the career development process reported in 2017, in

the exact terms in which it was specified in LOE2018 (25% in May and 25% in December, with 100% of reclassifications having been carried out on that date), and the career progression process reported in 2018.

The combination of these factors with the fact that the 2018 budget allocated all the amounts attributable to the career development process reported in 2017, since there were no guidelines in this regard at the time the budget was drawn up (the criteria were only known following the publication of LOE2018), led to a slight reduction in staff costs in 2019 (-0.5%). The most important resource of a regulatory authority such as ANACOM is its people - it is therefore natural that personnel costs constitute the largest part of its cost structure. The major components of these costs are as follows:

- remuneration of ANACOM's permanent staff and additional remunerations for 2019;
- charges on remunerations paid by ANACOM, which reflect Social Security Contributions made by application of the TSU - *Taxa Social Única* (Single Social Tax) and the contribution to the CGA - *Caixa Geral de Aposentações* (Civil Service Pension Fund);
- post-employment benefits, which include the contribution of this Authority to the Pension Fund considering the payment of retirement pensions to a set of employees subscribed to the CGA and the responsibilities relating to the health care from which those workers benefit;
- work accident insurance, which covers all employees;
- social welfare expenditure results from the agreement concluded with entities providing medical services in the workplace, with regard to sickness prevention, hygiene and safety at work, as well as all costs provided for under the ARCT - *Acordo de Regulamentação Coletiva de Trabalho* (Collective Bargaining Agreement);
- the sums required to cover the various types of training activities, deemed essential for the development of competencies, becoming updated and achieving stipulated levels of qualification among ANACOM staff operating in a sector that is increasingly complex and demanding.

In 2019, personnel costs will reach 26.867 million euros, a slight decrease of 127 thousand euros compared to the 2018 budget.

In the 2019 budget, depreciation and amortization costs have risen to 2.8 million euros, an amount equal to the 2018 budget, with depreciation and amortization of assets held by ANACOM included in this item, calculated based on specific rates as laid down in legally approved diplomas.

A further 50 thousand euros is included under impairment losses, in respect of net changes relating to impairments that affect receivables, primarily to cover possible difficulties in collecting sums due with regard to issued invoices, an amount equal to that provided for in the 2018 budget.

In the 2019 budget the criterion used in the previous plan was maintained in terms of estimated provisions for ongoing legal proceedings, which results in an increase in provisions of 3.781 million euros from 11.050 million euros (in the 2018 budget) to 14.831 million euros (in the 2019 budget). The criterion is based on the actual values as at the end of 2017 (ongoing legal proceedings) and forecasting any new cases set in motion during 2019, in accordance with the history of legal challenges, to which current accounting policies are applied which are generally the following:

- i) with regard to the amounts requested in legal actions related to challenges to regulatory acts, the provision is estimated based on a higher or lower risk estimate;
- ii) with regard to lawsuits involving claims of amounts for frequency usage fees, the provision corresponds to 100% of the amount claimed and/or in debt;
- (iii) in the case of amounts requested in winding-up proceedings relating to administrative regulatory charges, given the specific nature of this type of claim, it is considered that the provision should cover the entire amount requested within a period of 4 years, after which there is the prescription and impossibility of recovery of fees settled under the terms of the General Tax Law.

Finally, the item for other expenses and losses in the 2019 budget rose to 7.945 million euros, 525 thousand euros more than the budget in 2018 (annex II - table 9). This rise reflects the increased contribution to the financing of the AdC - *Autoridade da Concorrência* (Portuguese Competition Authority), due to the legal obligation to contribute

6.25% of income under article 35 of Decree-Law No. 125/2014 of 18 August (Statutes of the AdC), entailing an increase of 358 thousand euros over the 2018 budget, and the need to comply with legislation that requires regulators to bear part of the costs of the functioning of arbitration centres for alternative dispute resolution (Articles 16 and 17 of Law no. 144/2015, of 8 September), as previously mentioned, the impact of which is expected to be 200 thousand euros in 2019. This increase is higher than the reduction of most of the remaining items of this type of expenses that are controllable by ANACOM, namely in the contributions payable to international telecommunications and postal organisations, and in the expenses to be incurred with respect to cooperation activities with Portuguese-speaking Countries (PALOP) and other cooperation activities, the amount for which is -114 thousand euros.

The total expenditure envisaged for 2019 has risen to 62.547 million euros, 7.1% above that budgeted for 2018. However, excluding expenses over which ANACOM has no power to intervene, namely amortizations, depreciation, provisions, impairments and contributions to the AdC (*Autoridade da Concorrência* - Portuguese Competition Authority) and arbitration centres, in 2019 there will be a level of expenditure lower than that budgeted for 2018 (-1.4%).

7.1.4 Profits

Based on the above estimates, net profit in the 2019 budget will rise to 31.940 million euros (+4.3% versus the 2018 budget), as set out in annex II - table 9. The estimated profits for 2018 are around 6% higher than in 2017.

7.2 Financial plan 2019-2021

The components of ANACOM's financial plan for the 2019-2021 three-year period are listed in Annex III and are as follows:

- investment plan (projects);
- income plan;
- expenditure plan;
- income statement by nature;

- cash budgets;
- balance statements;
- cash flow statement.

The overall Investment plan for 2019-2021 is greater than that of 2018 in the first two years of the three-year period, gradually going down from year to year, to remain below the amount budgeted in 2021. In 2019 a significant investment effort is envisaged to improve ANACOM's infrastructure, particularly that concerning the infrastructure attached to the spectrum monitoring and control centres, and the technical infrastructure of the information systems resulting, in this case, from carrying out outstanding aspects to adapt the new server park. For 2020 and 2021, a gradual reduction in the investment effort in technician and IT equipment is envisaged, resulting from the digital transformation, mobility and accessibility, associated with the PESI measures, but even so above the amount budgeted for 2018, as well as strengthening investment in equipment for spectrum monitoring and control and laboratories.

It is anticipated that the Income Plan will remain based on proceeds from the settlement and collection of all fees payable to ANACOM by providers of electronic communications networks and services, depending on the regulatory costs incurred by the respective regulatory activities, and fees charged for the use of frequencies and the use of numbering, which together represent about 97 percent of total income. It also comprises regulatory fees in respect of postal services and other revenues, which account for the remaining three percent.

In the period of the 2019-2021 Plan, it is envisaged that there will be an increase in fees due to ANACOM by electronic communications services and network suppliers and the fees regarding the postal services, due to the increased in the moving average for these provisions and the stabilising of the total value of the remaining revenues, which will be more pronounced in 2019 (+4.7%) and which will lead to more moderate total increases of +1.9% and +1.5%, in 2020 and 2021.

During the period of the plan it is envisaged that there will be an increase in total costs in 2019 (+7.1%), and smaller increases in 2020 and 2021, of 5.2% and 0.1%, respectively. These variations are fully justified through strengthening the amount of provisions for ongoing legal proceedings, for the operationalisation in 2019 and 2020 of a user support

plan related to the migration of DTT to a new frequency band, for the increase in the contribution to AdC, for financing costs to support the arbitration centre and for the increase in staff costs resulting from the unfreezing of carrier progressions. As regards costs over which ANACOM has no power of intervention, there are increases in items sensitive to developments in national minimal salary or inflation, namely surveillance and security, hygiene and cleaning, rents and leases, electricity and water; for costs in which ANACOM can intervene, economies were considered in the items specialised works, trips and stays abroad. Along with these expectations in the development of costs, internal efficiency measures (review of internal processes, various renegotiations) will continue. As regards personnel expenses, the number of staff is expected to remain the same over the period; a decrease of -0.5% in 2019, and the year 2020, in comparison with 2019, will show a larger increase (+3.9%), since in 2019 there was still a phase in the unblocking which started in 2018, according to the provisions laid down in the LOE2018.

The remaining accounting and financial statements are also presented - these were prepared based on the income, expenditure and investments, as already explained, and were also prepared according to the accounting criteria of the SNC, as is ANACOM's practice and as is accepted by ANACOM's auditors. It should also be mentioned that when constructing the balance sheet, income statement and other financial elements, the Administrative Rules applying the net profit would be published in the year following that to which the results refer.

Annex I - Strategic staff plan (tables)

Table 1 - Evolution in ANACOM human resources

Category	2019	2020	2021
1 - Managerial staff	275	275	275
2 - Non-managerial staff	148	148	148
Total permanent staff (1+2)	423	423	423

Unit: Number of Employees

Table 2 - Evolution in types of complementary work

Category	2019	2020	2021
Supplementary work	4 304	4 304	4 304
Total	4 304	4 304	4 304

Unit: Hours

Table 3 - Evolution in personnel costs

Category	2019	2020	2021
Wages and expenses	23 713 700	25 015 800	25 362 200
Other personnel costs	3 153 100	2 907 200	3 151 600
Total	26 866 800	27 923 000	28 513 800

Unit: Euros

Table 4 - Personnel costs plan

Category	2019	2020	2021
1. Permanent contracts (year-end)	423	423	423
2. Permanent staff potential (1800 hours/year)	761 400	761 400	761 400
3. Supplementary work (hours)	4 304	4 304	4 304
4. Potential work (2 to 3)	765 704	765 704	765 704
5. Remuneration of governance bodies	831 500	831 500	831 500
6. Staff remuneration	15 823 000	16 514 900	16 896 200
7. Additional remuneration	3 149 400	3 537 100	3 443 000
8. Post-employment benefits	863 500	912 700	925 800
9. Salary expenses	3 909 800	4 132 300	4 191 500
10. Industrial injuries insurance	94 500	99 900	101 400
11. Social action expenses	725 100	739 600	754 400
12. Other personnel expenses	1 470 000	1 155 000	1 370 000
13.Total (5+12)	26 866 800	27 923 000	28 513 800

Unit: Euros

Annex II – 2019 Budget

Table 5 - Investment budget

Category	2018 Budget	2019 Budget	2019/2018 Variation	
			Value	%
Land and Buildings	120 000	585 000	465 000	387.5%
Basic Equipment	555 000	934 500	379 500	68.4%
Transport equipment	100 000	40 000	-60 000	-60.0%
Administrative equipment				
* IT Equipment (Hardware)	1 225 000	620 000	-605 000	-49.4%
* Other miscellaneous equipment	45 000	45 000	0	0.0%
Computer programs (Software)	1 550 000	1 708 000	158 000	10.2%
Building modifications	30 000	30 000	0	0.0%
Total	3 625 000	3 962 500	337 500	9.3%

Unit: Euros.

Table 6 - Income budget

Category	2018 Budget	2019 Budget	2019/2018 Variation	
			Value	%
Regulation of electronic communications	88 927 500	91 878 000	2 950 500	3.3%
* Statements of rights	10 500	5 600	-4 900	-46.7%
* Exercise of electronic communications	31 300 000	32 707 700	1 407 700	4.5%
* Use of frequencies - TECS	44 183 300	44 183 300	0	0.0%
* Use of frequencies - other	11 716 700	13 279 200	1 562 500	13.3%
* Use of numbering	1 717 000	1 702 200	-14 800	-0.9%
Regulation of postal services	1 860 600	2 061 300	200 700	10.8%
Settled fines	300 000	240 000	-60 000	-20.0%
Other services provided	114 000	128 700	14 700	12.9%
Interest and other similar income	387 000	30 000	-357 000	-92.2%
Other income	183 000	149 200	-33 800	-18.5%
Total	91 772 100	94 487 200	2 715 100	3.0%

Unit: Euros.

Table 7 - Expenditure budget

Category	2018 Budget	2019 Budget	2019/2018 Variation	
			Value	%
External supplies and services	10 096 700	10 053 900	-42 800	-0.4%
* Specialised work	2 808 300	2 769 900	-38 400	-1.4%
* Advertising and promotion	177 500	170 000	-7 500	-4.2%
* Surveillance and Security	462 800	489 000	26 200	5.7%
* Maintenance and repairs	2 127 500	2 063 000	-64 500	-3.0%
* Books and technical documents	235 000	200 000	-35 000	-14.9%
* Energy and liquids	508 800	517 000	8 200	1.6%
* Travel, stopovers and transport	578 300	493 600	-84 700	-14.6%
* Rents and hire charges	1 679 000	1 617 300	-61 700	-3.7%
* Communication	332 300	327 000	-5 300	-1.6%
* Insurance	97 400	86 100	-11 300	-11.6%
* Cleanliness, hygiene and comfort	315 600	307 500	-8 100	-2.6%
* Other supplies and services	774 200	1 013 500	239 300	30.9%
Personnel costs	26 994 200	26 866 800	-127 400	-0.5%
* Wages and expenses	24 375 700	23 713 700	-662 000	-2.7%
* Other personnel costs	2 618 500	3 153 100	534 600	20.4%
Depreciation and amortisation expenses	2 800 000	2 800 000	0	0.0%
Impairment losses	50 100	50 100	0	0.0%
Provisions for the period	11 049 900	14 831 000	3 781 100	34.2%
Other expenses	7 420 300	7 945 300	525 000	7.1%
* Levies	904 600	796 400	-108 200	-12.0%
* Meetings and conferences	151 200	147 000	-4 200	-2.8%
* Sponsorships	72 400	68 400	-4 000	-5.5%
* Holdings/Transfers	6 033 000	6 671 700	638 700	10.6%
* Cooperation	172 100	82 100	-90 000	-52.3%
* Other expenses	87 000	179 700	92 700	106.6%
Total	58 411 200	62 547 100	4 135 900	7.1%

Unit: Euros.

Table 8 - Budget for personnel costs

Category	2018 Budget	2019 Budget	2019/2018 Variation	
			Value	%
1. Permanent contracts (year-end)	423	423	0	0.0%
2. Permanent staff potential (1800 hours/year)	761 400	761 400	0	0.0%
3. Supplementary work (hours)	3 996	4 304	308	7.7%
4. Potential work (2 to 3)	765 396	765 704	308	0.0%
5. Remuneration of governance bodies	1 027 440	831 500	-195 940	-19.1%
6. Staff remuneration	15 913 575	15 823 000	-90 575	-0.6%
7. Additional remuneration	3 406 903	3 149 400	-257 503	-7.6%
8. Post-employment benefits	852 520	863 500	10 980	1.3%
9. Salary expenses	4 027 782	3 909 800	-117 982	-2.9%
10. Industrial injuries insurance	106 580	94 500	-12 080	-11.3%
11. Social action cost	875 100	725 100	-150 000	-17.1%
12. Other personnel costs	784 300	1 470 000	685 700	87.4%
Total (5 to 12)	26 994 200	26 866 800	-127 400	-0.5%

Unit: Euros.

Table 9 - Income and expenses budget

Category	2018 Budget	2019 Budget	2019/2018 Variation	
			Value	%
INCOME				
* Fees for electronic communications activity	31 300 000	32 707 700	1 407 700	4.5%
* Fees for use of frequencies	55 900 000	57 462 500	1 562 500	2.8%
* Fees for use of numbering	1 717 000	1 702 200	-14 800	-0.9%
* Fees for regulation of postal services	1 860 600	2 061 300	200 700	10.8%
* Remaining services provisions	424 500	374 300	-50 200	-11.8%
* Interest and similar income obtained	387 000	30 000	-357 000	-92.2%
* Other income and gains	183 000	149 200	-33 800	-18.5%
Total income	91 772 100	94 487 200	2 715 100	3.0%
EXPENSES				
* External Supplies and Services	10 096 700	10 053 900	-42 800	-0.4%
* Personnel expenses	26 994 200	26 866 800	-127 400	-0.5%
* Depreciation and amortisation expenses	2 800 000	2 800 000	0	0.0%
* Impairment losses	50 100	50 100	0	0.0%
* Provisions for the year	11 049 900	14 831 000	3 781 100	34.2%
* Other expenses and losses	7 420 300	7 945 300	525 000	7.1%
Total expenses	58 411 200	62 547 100	4 135 900	7.1%
* Net profit for the period	33 360 900	31 940 100	-1 420 800	-4.3%

Unit: Euros.

Annex III – Financial plan 2019-2021

Table 10 - Investment Plan (by project)

Category	Purpose	2019	2020	2021
Modernisation of laboratories	Acquisition of equipment in light of evolution in technology and regulatory framework; and update of software	169 500	195 000	195 000
Technological refurbishment of spectrum monitoring	Upgrade of existing MCE (spectrum monitoring and control) facilities and acquisition of equipment for the new communication systems	600 000	600 000	600 000
Major repairs and updates to SINCRER	Various upgrades to the national system for remote control of radioelectric emissions	55 000	60 000	60 000
Reformulation/modernisation of the CMCE image	Acquisition of equipment and improvement of support infrastructure for centres for monitoring and control of the radio spectrum	100 000	100 000	100 000
Technological Adaptation - Architecture and Technology Platforms	Adaptation of infrastructure technological strongpoints through the acquisition of necessary hardware and software	2 248 000	1 800 000	1 600 000
Acquisition of various basic radio equipment	Acquisition of day-to-day basic equipment for enforcement actions	50 000	150 000	150 000
Acquisition of various computer equipment	Acquisition of day-to-day hardware and software	80 000	180 000	180 000
Renovation of premises/buildings	upgrade of existing MCE centres and improvement of working conditions	530 000	530 000	530 000
Miscellaneous current acquisitions	acquisition of administrative equipment	130 000	45 000	45 000
Total		3 962 500	3 660 000	3 460 000

Unit: Euros

Table 11 - Income plan

Category	2019	2020	2021
Electronic communications	91 878 000	93 520 300	94 850 200
* Statements of rights	5 600	5 600	5 600
* Exercise of electronic communications	32 707 700	34 350 000	35 679 900
* Use of frequencies - TECS	44 183 300	44 183 300	44 183 300
* Use of frequencies - Other	13 279 200	13 279 200	13 279 200
* Use of numbering	1 702 200	1 702 200	1 702 200
Exercise of postal services	2 061 300	2 203 000	2 271 800
Other services provided	368 700	368 700	368 700
Interest and other similar income	30 000	30 000	30 000
Other income	149 200	149 200	149 200
TOTAL	94 487 200	96 271 200	97 669 900

Unit: Euros

Table 12 - Expenditure plan

Category	2019	2020	2021
External supplies and services	10 053 900	10 253 100	9 561 400
* Specialised jobs	2 769 900	2 631 700	2 500 400
* Advertising and promotion	170 000	170 000	170 000
* Surveillance and security	489 000	506 200	524 000
* Maintenance and repairs	2 063 000	2 063 000	2 063 000
* Books and technical documents	200 000	200 000	200 000
* Energy and liquids	517 000	523 600	530 500
* Travel, stopovers and transport	493 600	476 900	460 900
* Rents and hire charges	1 617 300	1 636 600	1 656 200
* Communication	327 000	327 000	327 000
* Insurance	86 100	86 100	86 100
* Cleanliness, hygiene and comfort	307 500	318 500	329 800
* Other supplies and services	1 013 500	1 313 500	713 500
Personnel costs	26 866 800	27 923 000	28 513 800
* Wages and expenses	23 713 700	25 015 800	25 362 200
* Other personnel costs	3 153 100	2 907 200	3 151 600
Depreciation and amortisation	2 800 000	2 700 000	2 500 000
Impairment losses	50 100	50 100	50 100
Provisions for the year	14 831 000	16 843 900	17 140 500
Other expenses	7 945 300	8 055 900	8 143 300
* Levies	796 400	795 500	795 500
* Meetings and conferences	147 000	147 000	147 000
* Sponsorships	68 400	68 400	68 400
* Holdings/Transfers	6 671 700	6 783 200	6 870 600
* Cooperation	82 100	82 100	82 100
* Other expenses	179 700	179 700	179 700
TOTAL	62 547 100	65 826 000	65 909 100

Unit: Euros

Table 13 - Financial Statements by nature

Category	2019	2020	2021
Income and expenses			
* Fees for electronic communications activity	32 707 700	34 350 000	35 679 900
* Fees for use of frequencies	57 462 500	57 462 500	57 462 500
* Fees for use of numbering	1 702 200	1 702 200	1 702 200
* Fees for regulation of postal services	2 061 300	2 203 000	2 271 800
* Remaining service provisions	374 300	374 300	374 300
* Supplies and external services	-10 053 900	-10 253 100	-9 561 400
* Personnel costs	-26 866 800	-27 923 000	-28 513 800
* Impairment losses	-50 100	-50 100	-50 100
* Provisions for the year	-14 831 000	-16 843 900	-17 140 500
* Other income and gains	149 200	149 200	149 200
* Other expenses and losses	-7 945 300	-8 055 900	-8 143 300
Profit before depreciation and amortisation	34 710 100	33 115 200	34 230 800
* Expenses/Reversals for depreciation and amortisation	-2 800 000	-2 700 000	-2 500 000
Operating profit	31 910 100	30 415 200	31 730 800
*Interest and similar income obtained	30 000	30 000	30 000
NET PROFIT FOR THE YEAR	31 940 100	30 445 200	31 760 800

Unit: Euros

Table 14 - Cash budget

Category	2019	2020	2021
Balance brought forward	194 869 900	202 590 300	218 677 100
Receipts			
* Income from operations	94 457 200	96 241 200	97 639 900
* Interest and other similar income	30 000	30 000	30 000
Total receipts	94 487 200	96 271 200	97 669 900
Payments			
* Investment	3 962 500	3 660 000	3 460 000
* Operations	44 866 000	46 232 000	46 218 500
* Application of profits	37 938 300	30 292 400	28 947 000
Total payments	86 766 800	80 184 400	78 625 500
Financial availabilities	202 590 300	218 677 100	237 721 500

Unit: Euros

Table 15 - Balance

Category	2019	2020	2021
Assets			
Non-current assets	17 061 100	17 991 100	18 921 100
* Tangible Assets	15 088 300	16 058 300	17 128 300
* Intangible Assets	1 971 900	1 931 900	1 791 900
* Other accounts receivable	900	900	900
Current assets	206 540 300	222 977 100	242 271 500
* Customers	2 000 000	2 000 000	2 000 000
* Other accounts receivable	450 000	600 000	750 000
* Deferrals	1 500 000	1 700 000	1 800 000
* Availabilities	202 590 300	218 677 100	237 721 500
Total assets	223 601 400	240 968 200	261 192 600
Equity and liabilities			
Equity	99 705 800	99 858 600	102 672 400
* Other reserves	67 765 700	69 413 400	70 911 600
* Net profit for the year	31 940 100	30 445 200	31 760 800
Liabilities	123 895 600	141 109 600	158 520 200
* Debts and provisions Post-employment benefits/Imparities	118 478 100	135 372 100	152 562 700
* Other account payables	5 417 500	5 737 500	5 957 500
Total liabilities + Equity	223 601 400	240 968 200	261 192 600

Unit: Euros

Table 16 - Cash flow statement

Category	2019	2020	2021
Cash Flows - Operating activities			
*Revenues from customers	94 308 000	96 092 000	97 490 700
* Payments to suppliers	-10 083 900	-10 283 100	-9 591 400
* Payments to employees	-26 866 800	-27 923 000	-28 513 800
Cash generated from operations	57 357 300	57 885 900	59 385 500
*Other revenue/payments	-45 735 400	-38 200 100	-36 942 100
Cash flows from operating activities	11 621 900	19 685 800	22 443 400
Cash Flows - Investment Activities			
Payments for:			
* Tangible Assets	-2 224 500	-2 320 000	-2 320 000
* Intangible Assets	-1 708 000	-1 310 000	-1 110 000
Revenue from:			
* Tangible Assets	1 000	1 000	1 000
* Interest and similar income	30 000	30 000	30 000
Cash flows from investment activities	-3 901 500	-3 599 000	-3 399 000
Change in cash and cash equivalents	7 720 400	16 086 800	19 044 400
Cash and cash equivalents at the start of period	194 869 900	202 590 300	218 677 100
Cash and cash equivalents at end of period	202 590 300	218 677 100	237 721 500

Unit: Euros

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