

Treatment for the TDL of fibre related equipment located inside end-user premises

Ultrafast Fibre Ltd and others have recently put forward a question regarding the treatment for the TDL of fibre related equipment located inside end-user premises.

The question related to which fibre network related equipment located inside end-user premises is an allowable deduction for the cost of non-telecommunications goods and services included in gross telecommunications services revenue (rows 39 to 44 of TDL template 1).

Our clarification

The deduction for the cost of non-telecommunications goods and services does not apply to goods that form part of a PTN (public telecommunications network).

In the case of a fibre network operator connecting a new customer, the ONT (optical network terminal) installed inside the end-user's premises is not deductible as it is part of the qualifying liable person's fibre PTN. The cost of ETPs (external termination point) and ITPs (internal termination points) are also not deductible for TDL purposes.

Deductions may be claimed for the cost of residential gateways (such as Wi-Fi capable routers) and other equipment located on the end-user side of the ONT, subject to the conditions in paragraphs 28 to 31 of the specified information instructions. This deduction applies for goods that are provided to end-users either on loan or free as part of a bundled contract.

Regards

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