

Regional approaches against mobile robbery, gray market and counterfeit devices

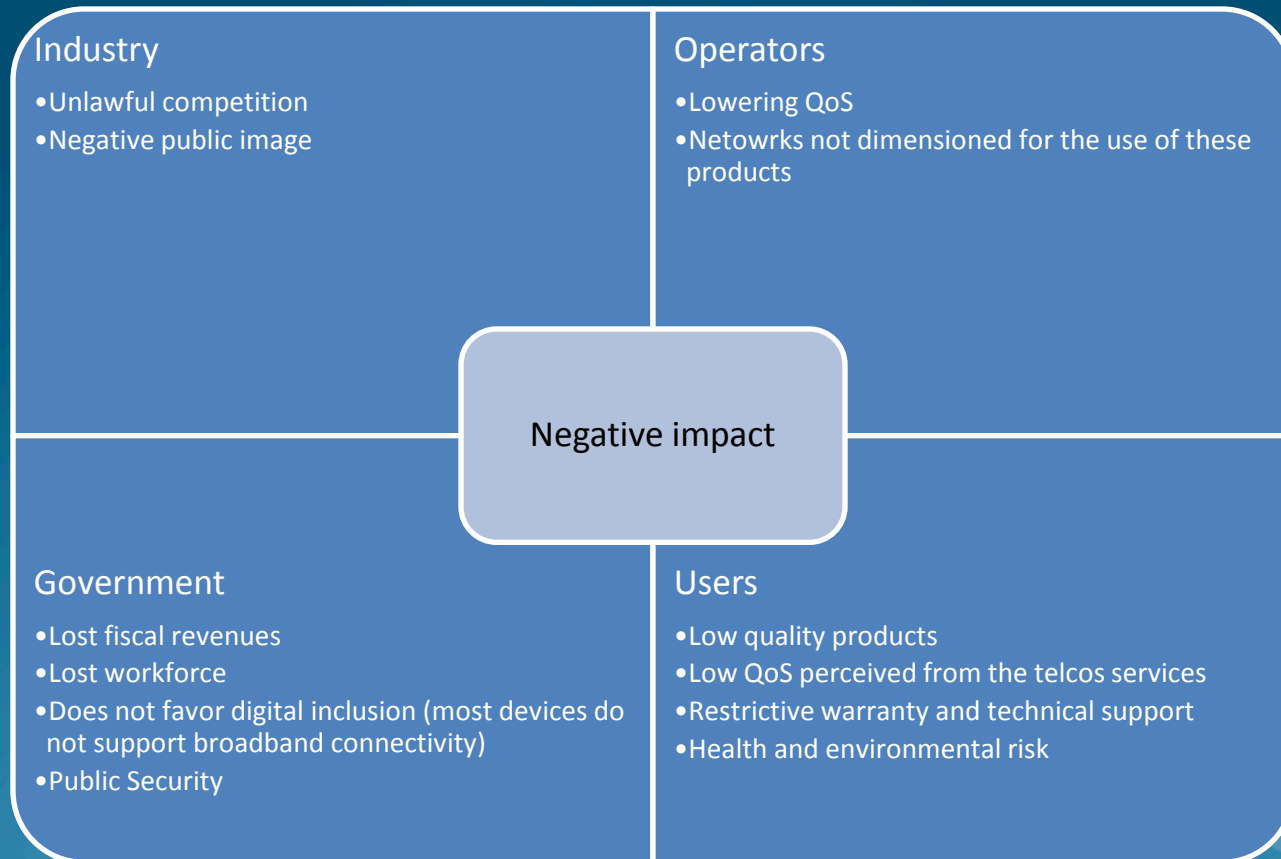
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Mobile robbery and gray market

- Gray market
 - Non-certified, non-conforming devices
 - Non-recognized, non-official sales channel
- Counterfeit products
 - Industrial design of original terminals
 - Violates patents
 - Unknown quality
- Stolen products
 - Brought back into the market

Mobile robbery and gray market



Mobile robbery and gray market

- There are no definitive concepts or figures
- Irregular devices are also brought into the networks from one country to the other
- Approximately 15% of Latin American devices carry some sort of these irregularities
- A global chain matter that can benefit from regional approaches

Mobile robbery and gray market

- One traditional solution focuses on the adoption of national **BLACKLIST DATABASE SYSTEMS**
 - When the user reports that a handset has been lost or stolen, its International Mobile Equipment Identity (IMEI) is included in national blacklist database by the operator, allowing other operators to identify terminals that have been blocked before reactivating the device in their network
 - In case the owner of a lost or stolen mobile device recovers the handset and decides to reactivate that device, a formal service reactivation request must be submitted to the mobile operator so that it can verify if the user is the legitimate owner of the device.

Mobile robbery and gray market

- This solution could be expanded to the regional level and ARCTEL would like to discuss regional solutions, such as
 - Sharing of GSM and CDMA blacklist database through the signature of bilateral or multilateral agreements
 - Establishment of regulatory fiscal and/or customs mechanisms that ensure the greater control applicable to imported handsets, preventing the exit or re-export of stolen mobile terminal devices and/or their parts
 - Industry compliance with the security recommendations against reprogramming or duplication of the IMEI or manufacturer's electronic serial identification number
 - Conduction of campaigns to raise public awareness of the importance of reporting the theft and loss of their mobile terminal devices