



# PAKISTAN TELECOMMUNICATION AUTHORITY

HEADQUARTERS F-5/1 ISLAMABAD, PAKISTAN

License No. ....

Date.....

## **NEXT GENERATION MOBILE SERVICES (NGMS) LICENSE ISSUED UNDER SECTION 21 OF THE PAKISTAN TELECOMMUNICATION (RE- ORGANIZATION) ACT, 1996 FOR PAKISTAN**

Pakistan Telecommunication Authority (“The Authority”) hereby grants a non-exclusive License to \_\_\_\_\_ (**company name**) (“The Licensee”) to establish, maintain and operate the Licensed System and to provide the Licensed Services in Pakistan **excluding** Azad Jammu & Kashmir (AJK) and Gilgit Baltistan (GB), subject to the terms and conditions contained herein.

On behalf of

**Pakistan Telecommunication Authority**

On behalf of

**(The Licensee)**

## LICENSE TEMPLATE

S. No.	Contents	Page No.
<b>1</b>	<b>PART 1 GRANT OF LICENSE .....</b>	<b>5</b>
1.1	SCOPE OF THE LICENSE .....	5
1.2	EFFECTIVE DATE AND TERM OF THE LICENSE .....	6
<b>2</b>	<b>PART 2 RIGHTS OF THE LICENSEE.....</b>	<b>7</b>
2.1	NUMBERS AND SHORT CODES .....	7
2.2	SIGNIFICANT MARKET POWER (SMP) .....	7
2.3	MOBILE NUMBER PORTABILITY (MNP).....	7
2.4	SELF PROVISIONING.....	8
2.5	RIGHT OF WAY.....	8
2.6	INFRASTRUCTURE SHARING .....	8
2.7	LOCAL MANUFACTURING, ASSEMBLY, TRANSFER OF TECHNOLOGY AND RESERACH AND INNOVATION.....	8
2.8	NATIONAL ROAMING.....	8
2.9	INTERNATIONAL ROAMING.....	8
2.10	MOBILE VIRTUAL NETWORK OPERATOR (MVNO) .....	9
<b>3</b>	<b>PART 3 OBLIGATIONS OF THE LICENSEE.....</b>	<b>9</b>
3.1	COMPLIANCE WITH LAW.....	9
3.2	NETWORK ROLLOUT.....	9
3.3	PERFORMANCE BOND .....	9
3.4	ACCESS TO EMERGENCY SERVICES.....	9
3.5	ALTERATION OF NETWORK.....	9
<b>4</b>	<b>PART 4 FEES AND OTHER CHARGES .....</b>	<b>10</b>
4.1	PAYMENT OF FEES, CHARGES AND CONTRIBUTIONS.....	10
4.2	UNIVERSAL SERVICE FUND.....	11
4.3	GENERAL CONDITIONS CONCERNING FEES.....	11
<b>5</b>	<b>PART 5 RADIO FREQUENCY SPECTRUM.....</b>	<b>12</b>
5.1	RADIO FREQUENCY SPECTRUM ASSIGNED TO THE LICENSEE .....	12
5.2	USE OF SPECTRUM.....	13
5.3	REASSIGNMENT OF FREQUENCIES.....	13
5.4	RADIO APPARATUS .....	14
<b>6</b>	<b>PART 6 GENERAL CONDITIONS.....</b>	<b>14</b>

## LICENSE TEMPLATE

6.1	OPERATION OF LICENSED SERVICES.....	14
6.2	DISCONTINUATION OF SERVICES .....	14
6.3	MONITORING .....	14
6.4	INFORMATION .....	14
6.5	QUALITY OF SERVICE .....	15
6.6	INSPECTION.....	15
6.7	NATIONAL SECURITY.....	15
6.8	CALL RECORDS.....	16
6.9	NETWORK STANDARDS.....	17
6.10	TYPE APPROVAL OF TERMINAL EQUIPMENT .....	17
6.11	SERVICE COMMENCEMENT CERTIFICATE .....	17
<b>7</b>	<b>PART 7 RELATIONS WITH CUSTOMERS.....</b>	<b>17</b>
7.1	STANDARD CONTRACT OF SERVICE.....	17
7.2	CONTENTS OF THE STANDARD CONTRACT OF SERVICE.....	18
7.3	COMPLAINT SYSTEM .....	18
7.4	CONTENT AND FORMAT OF BILLS.....	19
7.5	CODE OF COMMERCIAL PRACTICE (CUSTOMER CHARTER) .....	19
7.6	PRIVACY OF COMMUNICATIONS.....	20
7.7	CONFIDENTIALITY OF CUSTOMER INFORMATION.....	20
7.8	HARASSING, OFFENSIVE, UNSOLICITED OR UNLAWFUL COMMUNICATION.....	20
<b>8</b>	<b>PART 8 TARIFFS.....</b>	<b>21</b>
8.1	TARIFF OF NON-SMP OPERATORS .....	21
8.2	PRICE REGULATION OF OPERATORS WITH SMP.....	21
8.3	PUBLICATION OF TARIFFS, NOTIFICATIONS AND DISPLAY OF INFORMATION .....	21
<b>9</b>	<b>PART 9 RELATIONS WITH OTHER OPERATORS.....</b>	<b>21</b>
9.1	INTERCONNECTION .....	21
<b>10</b>	<b>PART 10 INFRACTIONS AND SANCTIONS.....</b>	<b>22</b>
10.1	SANCTIONS FOR VIOLATIONS OF THE LICENSE .....	22
<b>11</b>	<b>PART 11 TERMINATION AND AMENDMENT .....</b>	<b>22</b>
11.1	TERMINATION OF THE LICENSE.....	22
11.2	AMENDMENT .....	23
<b>12</b>	<b>PART 12 GENERAL .....</b>	<b>23</b>
12.1	ASSIGNMENT OF RIGHTS.....	23

**LICENSE TEMPLATE**

12.2 OWNERSHIP AND CONTROL REPORTING .....23

12.3 NO LIABILITY BY THE AUTHORITY .....23

12.4 FORCE MAJEURE .....23

12.5 COMMUNICATION WITH THE LICENSEE .....24

**13 PART 13 INTERPRETATION AND DEFINITIONS .....24**

13.1 INTERPRETATION .....24

13.2 DEFINITIONS.....25

**APPENDIX I - NETWORK ROLL-OUT.....29**

**APPENDIX II - 2100 MHZ / 1800 MHZ / 850 MHZ BANDS .....32**

**APPENDIX III – QUALITY OF SERVICE.....33**

## 1 PART 1 GRANT OF LICENSE

### 1.1 SCOPE OF THE LICENSE

- 1.1.1. This License authorises the Licensee to establish, maintain and operate the Licensed System and to provide Next Generation Mobile Services (NGMS) in Pakistan (**excluding** Azad Jammu & Kashmir (AJK) and Gilgit Baltistan (GB));
- 1.1.2 The Licensee shall provide NGMS including the following Mandatory Services throughout Pakistan **except** AJK & GB:
  - 1.1.2.1 emergency services;
  - 1.1.2.2 operator assistance services;
  - 1.1.2.3 national and international long distance services through LDI operators;  
and
  - 1.1.2.4 such other Telecommunications Services as the Authority may, by Regulation, require.
- 1.1.3 The Licensee may provide optional services incidental to Next Generation Mobile Services;
- 1.1.4 The License does not authorise the following :
  - 1.1.4.1 The provision of Telecommunication Services in AJK & GB.
  - 1.1.4.2 The interconnection of the Licensed System to the telecommunication system of a service provider that provides telecommunications services outside Pakistan or in AJK & GB.
  - 1.1.4.3 Such other activities or Telecommunication Services as the Authority may prohibit through Regulations, Determinations and Directives, and / or those that the Federal Government may prohibit through Policy Directives.
  - 1.1.4.4 Direct access for customers through a Network Connection Point beside interconnection.
  - 1.1.4.5 Provision of Fixed Services
- 1.1.5 The Licensee shall not install, maintain or operate any Telecommunications System or provide any Telecommunication Service that is not authorised in this License, except pursuant to a separate License or other proper authorisation from the Authority.

## LICENSE TEMPLATE

- 1.1.6 The Licensee shall not authorise or facilitate the Terminal Equipment used by a fixed line customer in connection with the Limited Mobility Communication Service, to be authenticated or used with the Mobile Communication System.
- 1.1.7 The Licensee shall provide access to national and international Long Distance Telecommunication Services only through the interconnection of the Licensed System with the Telecommunication System of another Operator duly licensed by the Authority to provide national and international long distance services.
- 1.1.8 The Licensee shall notify the Authority at the time that the Licensee wishes to begin to offer a new category of Licensed Services not previously offered by the Licensee. In its notice, the Licensee shall describe the new category of Licensed Services and the expected date that they will begin to be offered commercially by the Licensee. The Authority may intervene for supervision or permission of such service, where required.
- 1.1.9 Upon being notified by the Authority that an Operator's License is suspended or terminated, the Licensee shall as promptly as practical in the circumstances disconnect the Licensed System from the Telecommunication System of that Operator, and discontinue using the Telecommunication Service of that Operator, until such time the Authority restores or renews such License.

### **1.2 EFFECTIVE DATE AND TERM OF THE LICENSE**

- 1.2.1 This License shall come into force on the Effective Date and shall be valid for a term of 15 (Fifteen) years.
- 1.2.2 In the event that the Licensee wishes to renew the License at the expiry of the initial term, it shall submit to the Authority a written request for renewal at least 36 months prior to the expiry of the term under the License. Similarly for further renewing a renewed term the written application shall be submitted at least 36 months before expiry of that renewed term.
- 1.2.3 Within three months after the receipt of the Licensee's request pursuant to Condition 1.2.2, the Authority shall either:
  - (a) renew the License on such terms and conditions as are consistent with the policy of the Federal Government at that time to come into effect at the conclusion of the initial term, or renewed term as the case may be, or
  - (b) give written notice to the Licensee stating that the Authority may not renew the License and provide reasons thereof. The reason(s) may include the Licensee's repeated, grave or continuing violations of the terms and conditions of this License, or the renewed license, the Act, Rules or Regulations during the initial term or extended term. The Licensee shall be given at least 60 days to make written representations in response to the Authority's written notice. Within 30 days after the conclusion of such 60 days period, the Authority shall hold a hearing at which the Licensee may make representations in response to the Authority's written notice. The Licensee may, as part of its representation, indicate the further License conditions it is prepared to accept to reduce

## LICENSE TEMPLATE

the likelihood of continued or further violations of the terms and conditions of this License, the Act, Rules or Regulations. Following such hearing, the Authority shall, within 15 days of such hearing, give its determination either;

- (i) that the Authority has determined not to renew the License at the expiration of the initial term or extended term, and provide its reasons for making such a determination, or
- (ii) to renew the License on such terms and conditions as are consistent with the policy of the Federal Government at that time, to come into effect at the conclusion of the initial term, including such additional terms as the Authority considers appropriate.

## 2 PART 2 RIGHTS OF THE LICENSEE

### 2.1 NUMBERS AND SHORT CODES

- 2.1.1 The Licensee has the right to request geographic and non-geographic numbers, as well as short codes, in accordance with the national numbering plan developed by the Authority, for use in the provisions of the Licensed Services.
- 2.1.2 The Licensee shall allocate individual numbers to customers from the blocks allocated to it by the Authority and shall maintain suitable records of its utilisation of numbering capacity, subject to the following:
  - 2.1.2.1 The blocks of numbers and short codes allocated to the Licensee and the individual numbers allocated by the Licensee to its customers are a national resource; and
  - 2.1.2.2 Allocation of a number does not confer ownership of the number by the customer. However, an allocation conveys an ongoing right of use and an expectation of at least a three months' notice period should it be necessary to withdraw or to change allocated numbers due to any change in numbering plan by PTA or due to any directive by PTA.

### 2.2 SIGNIFICANT MARKET POWER (SMP)

- 2.2.1 If the Authority determines that a Licensee possesses SMP in a relevant market, the Licensee shall comply with orders / decisions of the Authority that are intended to prohibit abuse of its SMP position through anti-competitive conduct or to promote competition in respect of that relevant market or markets ancillary thereto, including without limitation orders to produce a Reference Interconnection Offer (RIO) detailing the services and tariff they provide to other Operators.

### 2.3 MOBILE NUMBER PORTABILITY (MNP)

- 2.3.1 From the first anniversary of the Effective Date the Licensee shall implement MNP with all Mobile Cellular Operators as it is implemented in Pakistan. The Licensee is required to contribute to Pakistan Mobile Database (PMD) Company in accordance with MNP Regulations.

## LICENSE TEMPLATE

### 2.4 SELF PROVISIONING

- 2.4.1 The Licensee will have the right to provide its own infrastructure;
  - 2.4.1.1 within a Region and to also provide circuits to other Operators.
  - 2.4.1.2 between Regions in the event that all LDI operators are unable to provide a circuit within three months from request by the licensee, or
  - 2.4.1.3 in the event the quality of service falls below international standards for inter-regional circuits as determined by the Authority.

### 2.5 RIGHT OF WAY

- 2.5.1 The Licensee will have the right to contract for the “right of way” (RoW) to construct its network subject to conditions laid down by the concerned agencies.

### 2.6 INFRASTRUCTURE SHARING

- 2.6.1 The Licensee is required to share its existing and future infrastructure with other NGMS Licensees as a matter of first priority. As a minimum, the infrastructure to be shared shall be: site sharing and mast sharing. The precise commercial structure of any bilateral or multilateral infrastructure sharing is to be agreed between the Operators involved and then presented to PTA for approval. If no such agreement can be reached after negotiation in good faith by the Licensee and the Operator, then the parties will resolve the matter through mediation and/or arbitration process for an early resolution of the dispute.

### 2.7 LOCAL MANUFACTURING, ASSEMBLY, TRANSFER OF TECHNOLOGY AND RESERACH AND INNOVATION

- 2.7.1 The Licensee shall encourage and facilitate local manufacturing, assembling and development of telecom equipment, terminal devices, applications, transfer of technology and Research and Innovation in Pakistan.

### 2.8 NATIONAL ROAMING

- 2.8.1 The Licensee is free to negotiate a commercial arrangement with one or more Operators for national roaming. The Licensee may seek negotiations to enter an agreement to purchase national roaming from another Operator so that the Licensee can provide national GSM, GPRS / EDGE and other services if any. If no such agreement can be reached after negotiation in good faith by the Licensee and the Operator, then the parties will resolve the matter through mediation and/or arbitration process for an early resolution of the dispute.

### 2.9 INTERNATIONAL ROAMING

- 2.9.1 Licensee shall use its best efforts to enter into the necessary agreements with foreign operators in order to enable and provide international roaming to its subscribers. The Licensee must follow PTA guidelines on international roaming which may be issued from time to time.

## LICENSE TEMPLATE

### **2.10 MOBILE VIRTUAL NETWORK OPERATOR (MVNO)**

- 2.10.1 The Licensee is encouraged to support MVNO Services under the framework prepared and published by the Pakistan Telecommunication Authority (PTA) from time to time or as determined by PTA

## **3 PART 3 OBLIGATIONS OF THE LICENSEE**

### **3.1 COMPLIANCE WITH LAW**

- 3.1.1. This License is subject to the terms and conditions contained herein and to the Act, Rules and Regulations and other laws for the time being in force. In the event of any conflict or inconsistency between the provisions of this License, and the provisions of the Act, Rules or Regulations, the provisions of the Act, Rules and Regulations shall prevail.
- 3.1.2 The Licensee shall establish, maintain and operate its Licensed System, and shall provide the Licensed Services, in compliance with the laws of Pakistan.
- 3.1.3 The Licensee shall at all times co-operate with the Authority and its authorised representatives in the exercise of the functions assigned to the Authority under the Act. The Licensee shall comply with all orders, determinations, directives and decisions of the Authority.
- 3.1.4 All foreign directors of the Licensee's company along with the foreign nationals deployed for installation/operation/maintenance must be security cleared.

### **3.2 NETWORK ROLLOUT**

The Licensee shall provide coverage as per Appendix- I.

### **3.3 PERFORMANCE BOND**

The licensee shall submit Performance Bond as per Appendix- I.

### **3.4 ACCESS TO EMERGENCY SERVICES**

- 3.4.1 The Licensee shall provide its customers with access to government emergency services, including automatic connections to local police, fire and ambulance assistance by means of a simple telephone number with operator standby assistance available in case of failure of Licensee's automated system. The Licensee shall comply with other requirements imposed by the Authority in relation to emergency services.

### **3.5 ALTERATION OF NETWORK**

- 3.5.1 The Licensee shall, within such reasonable time and in such manner as may be directed by the Authority, and at its own expense, alter the course, depth, position or mode of attachment of any apparatus forming part of its Licensed System which may cause hazard to human life, community, security or is deemed against the public interest in any way. All the telecommunication system of the operator must be in the knowledge of the Authority including but not limited to Core and Access network.

## 4 PART 4 FEES AND OTHER CHARGES

### 4.1 PAYMENT OF FEES, CHARGES AND CONTRIBUTIONS

4.1.1 The Licensee shall pay the Initial Spectrum Fee (the Auction Winning Price) of USD \_\_\_\_\_ (US Dollars \_\_\_\_\_ only) or its equivalent in Pak Rupees to the Authority.

4.1.1.1 Initial Spectrum Fee shall be paid in US Dollars or its equivalent in Pak Rupees to be converted at the National Bank of Pakistan (NBP) Telegraphic Transfer (TT) selling rate prevailing on the day preceding the date of payment.

The Licensee may opt for 100% payment of the Initial Spectrum Fee given in clause 4.1.1 above of the License as a onetime upfront amount within 30 days of the Auction.

OR

Pay 50% payment of the Initial Spectrum Fee given in clause 4.1.1 of the License within 30 days of the Auction and the remaining 50% of the Initial Spectrum Fee is payable in 5 years in 5 equal annual instalments with cumulative mark up rate at the rate of one year LIBOR rate + 3% for the period from the Effective Date of the License to the payment date. Additionally, if auction winner intends to pay the remaining balance liability on account of Initial Spectrum Fee at any time before the end of 5 years, it would be acceptable and without any pre payment penalties. However, mark up at LIBOR + 3% shall be payable on the balance amount till the date the payment is made. In case of delay in payment to the Authority, the Licensee shall pay Late Payment Additional Fee @ 2% per month or part thereof from the due date till the date of payment. The license shall be suspended / terminated on account of non-payment of any instalment of initial fee, the outstanding amount shall be recovered as arrears of land revenue in addition to any other penalties to which the licensee may be liable under the Act/Rules/Regulations and terms and conditions of the license.

4.1.1.2 Notwithstanding the provisions of the Act, Rules, Regulations or any other law or other statute for the time being in force, in case an instalment becomes overdue the Authority may serve upon the Licensee a show cause notice stating the default and seeking explanation, allowing it not less than 7 days, as to why its license shall not be suspended or revoked. On considering the Licensee's explanation the Authority may suspend or revoke the License as deemed appropriate.

4.1.2 The Licensee shall pay the following annual regulatory fees, contributions and charges to the Authority within 120 days of the close of Financial Year of the Licensee.

4.1.2.1 The Licensee shall pay Annual License Fee (ALF) to the Authority, an amount equivalent to 0.5% of the Licensee's annual gross revenue from Licensed Services minus inter operator payments and related PTA / FAB mandated payments. In the case of PTA / FAB mandated payments, this deduction will be allowed if these amounts have actually been paid and not on accrual basis. However, Initial Spectrum Fee, Initial License Fee, leased line charges, late payment additional fee, penalties, collection charges, and other expenses imposed by PTA, if any, shall not be deducted from the gross revenue.

## LICENSE TEMPLATE

4.1.2.2 The Licensee shall pay annual Universal Service Fund contribution to the Federal Government, an amount equivalent to 1.5% of the Licensee's annual gross revenue from Licensed Services minus inter operator and related PTA / FAB mandated payments. In the case of PTA / FAB mandated payments, this deduction will be allowed if these amounts have actually been paid and not on accrual basis. However, Initial Spectrum Fee, Initial License Fee, leased line charges, late payment additional fee, penalties, collection charges, and other expenses imposed by PTA, if any, shall not be deducted from the gross revenue.

4.1.2.3 The Licensee shall pay Annual R&D Fund contribution to the Federal Government, an amount equivalent to 0.5% of the Licensee's annual gross revenue from Licensed Services minus inter operator and related PTA/FAB mandated payments for Research and Development Fund managed by the Federal Government. In the case of PTA / FAB mandated payments, this deduction will be allowed if these amounts have actually been paid and not on accrual basis. However, Initial Spectrum Fee, Initial License Fee, leased line charges, late payment additional fee, penalties, collection charges, and other expenses imposed by PTA, if any, shall not be deducted from the gross revenue.

4.1.3 The Licensee shall pay to the Authority Annual Spectrum Administrative Fee (ASAF), an amount calculated on the basis of the proportion of spectrum allocated to the Licensee out of the total spectrum allocated to all Cellular Mobile Operators and NGMS licensees to recover 75 % of FAB's total budgeted expenditure for the next Financial Year. The ASAF will fall due on 1<sup>st</sup> of June every year for the next financial year and is payable in advance latest by 30th June of every year.

4.1.4 For each number allocated to the Licensee, the Licensee shall pay to the Authority at commencement of each financial year the Annual Number Charges as mentioned in the Numbering Allocation and Administration Regulations, 2011, as amended from time to time. The annual Numbering Charges will fall due on the first of June every year and are payable latest by 30<sup>th</sup> of June every year.

### **4.2 UNIVERSAL SERVICE FUND**

4.2.3 The Licensee shall be eligible to apply for money from the Universal Service Fund in order to cover rural and underserved areas as per USF Rules and any further Rules/Regulations, notified from time to time, for utilization of Universal Service Fund.

### **4.3 GENERAL CONDITIONS CONCERNING FEES**

4.3.1 The Licensee shall annually submit to the Authority, audited financial statements in support of its calculations of annual fees, charges and contributions. The notes to the financial statements of the Licensee should be drawn up in sufficient detail so as to disclose separately the Annual Gross Revenue between Licensed and Non-Licensed Services, and interconnection and inter-operator payments that are allowable to determine the Adjusted Gross Revenue of the Licensee as per clause 4.1.2 above for the purpose of calculation of Annual Fees, charges and contributions.

## LICENSE TEMPLATE

- 4.3.2 The Licensee shall pay Initial Spectrum Fee to the Authority in US Dollars or its equivalent Pak Rupees to be converted at the National Bank of Pakistan (NBP) Telegraphic Transfer (TT) selling rate prevailing on the day preceding the date of payment. In case of delay in payment to the Authority, the Licensee shall pay Late Payment Additional Fee @ 2% per month or part thereof from the due date till the date of payment. The License shall be suspended / terminated on account of non-payment of any installment of initial spectrum fee. The outstanding amount shall be recovered as arrears of land revenue in addition to any other penalties to which the Licensee may be liable under the Act/Rules/Regulations and terms and conditions of the license.
- 4.3.3 In case of delay in payment of any fees, charges, contributions and other amounts to the Authority, the Licensee shall pay Late Payment Additional Fee @ 2% per month or part thereof from the due date till the date of payment.
- 4.3.4 The licensee shall pay to the Authority all fees, charges, contributions and other amounts required to be paid under the Act, Rules and Regulations.
- 4.3.5 This License shall be suspended / terminated, in case the Licensee fails to make the payment of any outstanding dues i.e. initial spectrum fee, annual fees, contributions, charges, late payment additional fee, penalties etc. on due dates.
- 4.3.6 After expiry of the 15 year term, license shall be renewed or otherwise as per the Federal Government policy applicable at that time.
- 4.3.7 Where the Licensee is required, under the Licence, to make a payment of fees to the Authority that is denominated in a currency other than Pakistan Rupees, the Licensee may make such payment in the equivalent amount of Pakistan Rupees. The rate of exchange for determining the equivalent amount of Pakistan Rupees shall be the TT selling rate of National Bank of Pakistan prevailing at the business day preceding the date of payment.

## 5 PART 5 RADIO FREQUENCY SPECTRUM

### 5.1 RADIO FREQUENCY SPECTRUM ASSIGNED TO THE LICENSEE

- 5.1.1 From the Effective Date, radio frequency spectrum described in Appendix-II is assigned to the Licensee pursuant to the terms and conditions of this License, including any terms and conditions appearing in Appendix II.
- 5.1.2 The assignment of radio frequency spectrum to the Licensee pursuant to this License terminates upon the expiry of 15 (fifteen) years from the Effective Date. Such assignment of frequencies may be extended if the License is renewed for a further term as may be fixed by the Authority in accordance with the-Federal Government policy at the time of renewal.
- 5.1.3 Upon termination of the assignment to the Licensee of those radio frequencies listed in Appendix II, the Licensee shall cease using any apparatus or device that emits or receives any radio communication at those radio frequencies and shall cause its customers to discontinue using any such apparatus or device.

## LICENSE TEMPLATE

### 5.2 USE OF SPECTRUM

- 5.2.1 The Licensee shall comply with the following terms and conditions relating to radio frequency spectrum assigned to the Licensee:
- 5.2.1.1 The Licensee shall report to the Authority and to the Board such information as each of them may require concerning the assigned radio frequency spectrum and its use.
- 5.2.1.2 The Licensee shall only use the assigned radio frequency spectrum in its own operations, and it shall not lease, sub-License, allocate, assign or otherwise make available the use of the assigned radio frequency spectrum to another Operator.
- 5.2.1.3 The Authority shall have the right, exercisable at any time, to terminate any assignment to the Licensee of radio frequency spectrum if the Authority determines that the Licensee is not complying with the requirements in the Appendix-II applicable to such radio frequency spectrum.
- 5.2.1.4 The Licensee shall use assigned radio frequency spectrum in compliance with all national, regional, intergovernmental and international arrangements in effect from time to time that are designed to reduce radio interference among service providers,
- 5.2.1.5 At all times, the Licensee shall implement all commercially reasonable measures to optimise the efficiency and effectiveness of its use of the radio frequency spectrum assigned to it.
- 5.2.1.6 Unused frequency spectrum assigned to the Licensee may be withdrawn, if the Licensee fails to commence its Services by the rollout obligation given in Appendix - I.
- 5.2.1.7 The assigned spectrum shall be used for technologies standardized for NGMS.

### 5.3 REASSIGNMENT OF FREQUENCIES

- 5.3.1 The Authority may, in order to comply with international radio frequency spectrum co-ordination requirements, ITU assignments or reassignments, or generally in the course of regulating the radio frequency spectrum in the best interest of Pakistan, reassign radio frequency spectrum assigned to the Licensee or require the Licensee to surrender its rights in respect of radio frequency spectrum assigned to it and which is not reasonably required for the continued operation of the Licensed Services. In such cases, the Licensee shall be entitled to consult with the Authority before any such action is taken and the Licensee shall be entitled to reasonable time and, where applicable, the assignment of appropriate alternative radio frequency spectrum, to permit the Licensee to carry on its business without unreasonable costs or disruptions.
- 5.3.2 If, pursuant to sub clause 5.3.1, the Authority requires that the Licensee change the radio frequency spectrum assigned to it, or surrender its rights in respect of radio frequency spectrum assigned to it, and the Authority re-assigns the radio frequency spectrum to another Operator within three years after the date established by the Authority as the last date that the Licensee may use any apparatus or device that emits or receives any radio communication in the band of the radio frequency spectrum, the Authority shall require the other Operator to compensate the Licensee for its reasonable costs incurred as a result of such change or surrender, as determined by the Authority.

## LICENSE TEMPLATE

The detailed procedure for re-farming will be provided at the appropriate time by Board/Authority including but not limited to compensation modes.

### 5.4 RADIO APPARATUS

- 5.4.1 The Licensee shall operate radio communication apparatus and devices in compliance with all requirements of the Authority and the Board pertaining to emissions, frequencies of operation, base station site clearance, technical characteristics, power and aerial characteristics.

## 6 PART 6 GENERAL CONDITIONS

### 6.1 OPERATION OF LICENSED SERVICES

- 6.1.1 The Licensee shall ensure that the Licensed System and the Licensed Services do not cause any damage to, or interference with, any Telecommunications System or Telecommunications Services of any other Operator or any other international radio frequency spectrum not assigned to the Licensee.
- 6.1.2 The Licensee shall conduct its operations and shall establish its Licensed System in a manner so that it is not a safety hazard and is not in contravention of any relevant law, rule or regulation.

### 6.2 DISCONTINUATION OF SERVICES

- 6.2.1 The Licensee shall not discontinue providing a category of Licensed Services in any area unless (a) the Licensee gives the Authority and affected customers at least 90 days' prior written notice of such discontinuation, and (b) Authority's prior written approval to such discontinuation is obtained. However, services to the subscribers who have defaulted may be disconnected as per the Authority approved "Code of Conduct" and "Service Level Agreement". The Authority will not give its written approval to such discontinuation if the Licensee is in arrears of any fees, contributions or any other amounts payable to the Authority.

### 6.3 MONITORING

- 6.3.1 The Licensee shall provide, at its own cost, suitable equipment at premises designated by the Authority and will ensure its upgrading, security and safety, in order to monitor the communications for the purpose of; measuring and recording traffic; call detail records; curbing of Grey International Telephony Services including SIM Box Detector and Quality of Service in a manner specified by the Authority. The Licensee shall provide the Authority with access to such equipment, and the information generated by such equipment.
- 6.3.2 The Authority shall have the full right to inspect any premises or facility including hardware and software of the licensee.

### 6.4 INFORMATION

- 6.4.1 The Licensee shall furnish to the Authority, such information as the Authority may demand regarding the Licensee's network plan, network and terminal standards, links

## LICENSE TEMPLATE

utilized, financial information, costs and accounts, Network audit and penetration test from an accredited technical auditor or any such other information as the Authority may from time to time request in connection with its functions, powers and responsibilities.

- 6.4.2 The Licensee shall maintain such books and records as the Authority may require. The authority shall give the Licensee a reasonable period of time, not to exceed 120 days, to implement appropriate routines and systems to comply with any such requirement imposed by the Authority. Upon request by the Authority, the Licensee shall make its books and records available for inspection by the Authority.
- 6.4.3 The Licensee shall maintain financial records and books of accounts in accordance with the laws of Pakistan. The Licensee shall submit audited financial statements, including at a minimum Income Statements (statements of Profit and Loss), Balance Sheets (statements of assets and liabilities), Statements of Changes in Comprehensive Income and Cash Flow Statements to the Authority within 120 days of the closing date of Financial Year of the Licensee.
- 6.4.4 The Authority shall take reasonable steps to maintain the confidentiality of information in writing that is disclosed to it by the Licensee and which is clearly indicated as confidential, except that the Authority may disclose information where the Authority determines that the public interest in disclosure outweighs the Licensee's interest in maintaining the confidentiality of such information.

### **6.5 QUALITY OF SERVICE**

- 6.5.1 The Licensee shall at all times meet or exceed the Quality of Service standards described in Appendix-III and such other Quality of Service standards as the Authority may, by regulation, require. The Licensee shall maintain records of its performance in meeting these Quality of Service standards, and shall submit them to the Authority on a quarterly basis in such format as the Authority may require. The Licensee shall maintain supporting records for inspection and technical audit as and when required by the Authority. The Licensee shall maintain all such records for a period of three years.
- 6.5.2 The Authority may carry out tests on the quality of the Licensed Services and the Licensed System and the Licensee shall extend full co-operation and assistance for the purpose including provision of test instruments and equipment.

### **6.6 INSPECTION**

- 6.6.1 The Licensee shall allow inspection of any premises by a representative of the Authority at any time and furnish to the representative such information as may be required by the Authority.

### **6.7 NATIONAL SECURITY**

- 6.7.1 The Licensee shall comply with the national security and other requirements of section 54 of the Act and any other national security requirements under the law.
- 6.7.2 It shall be open to the Authority to restrict the Licensee from operating in any sensitive area defined by the Federal Government from the national security point of view.

## LICENSE TEMPLATE

6.7.3 The Licensee shall not transfer the following to any person/place outside Pakistan including AJ&K and Gilgit Baltistan:

6.7.3.1 any accounting information relating to subscriber (except for roaming/billing); and

6.7.3.2 user information (except pertaining to foreign subscribers on operator's network while roaming).

6.7.4 No local/long distance traffic (mobile and fixed line) shall be hauled outside Pakistan.

6.7.5 No remote access shall be provided to any person/place outside Pakistan for any maintenance/repairs/databases/facility unless approved by the Authority or concerned quarters.

6.7.6 The network base stations shall be installed in such a way that signal strength fades away within the international border, or as specified, and no communication takes place across the international border. No base station shall be installed without prior approval of the Authority.

6.7.7 No ciphering equipment or software shall be used by the service provider or user without prior approval of the Authority.

6.7.8 The Licensee shall ensure to implement Equipment Identity Register (EIR) or related module in the network or as directed by the Authority.

6.7.9 Every User Equipment (UE) shall have a unique subscriber identity number.

6.7.10 The Licensee shall provide and extend at its own cost suitable equipment at premises designated by the Authority in consultation with the Designated Agency for the purpose of LI. The Licensed System must be compliant with ETSI LI and other related security standards of communications security and must be ready to be extended as desired by the Authority. The System shall be available prior to launch of commercial operation and support all services provided by the Licensee.

6.7.11 The Licensee shall activate a SIM after proper verification as per applicable Regulations/Directives/Standard Operating Procedures of PTA.

6.7.12 The Licensee shall block website(s)/web content(s) and other services as and when directed by the Authority.

6.7.13 The Licensee shall provide details of subscriber antecedents as and when directed by the Authority.

### **6.8 CALL RECORDS**

6.8.1 The Licensee shall maintain call records including called and calling numbers, date, duration, time, IMEI and location details with regard to the communications made on its Telecommunication System for a period of one year for scrutiny by or as directed by the Authority.

## LICENSE TEMPLATE

6.8.2 In addition to maintaining call records mentioned in clause 6.8.1 above, the Licensee shall also record/store data session logs/info along with IP address for one year for scrutiny by or as directed by the Authority.

### **6.9 NETWORK STANDARDS**

6.9.1 The Licensee shall use any type of network equipment that meets appropriate ITU or other international telecommunication standards recognized by the Authority.

6.9.2 The Licensee shall ensure that its network is at all times interoperable and inter-connectable with the networks of other Operators. If the Licensee implements any new equipment or protocols in its network, the Licensee shall bear the cost of any modifications to its network to maintain such interoperability and inter-connectability with the networks of other Operators.

### **6.10 TYPE APPROVAL OF TERMINAL EQUIPMENT**

6.10.1 The Licensee shall not install or connect, or permit the installation or connection of, any Terminal Equipment unless the Terminal Equipment is (a) type approved, or otherwise permitted by the Authority, (b) type approved by a recognized telecommunications equipment type approval agency or a recognized telecommunications equipment testing laboratory in a member country of the Organisation of Economic Cooperation and Development (OECD). The Licensee shall not install or connect, or permit the installation or connection of, any Terminal Equipment or type of Terminal Equipment prohibited by the Authority.

### **6.11 SERVICE COMMENCEMENT CERTIFICATE**

6.11.1 The Licensee shall not provide any Licensed Services to customers, or accept any payment from customers in respect of Licensed Services to be provided by the Licensee, until the Licensee has obtained from the Authority a service commencement certificate evidencing that the Authority is satisfied that the Licensee has established the Licensed System, and is able to provide the Licensed Services including Mandatory Services as per the QoS KPIs set by the Authority, in accordance with the License.

6.11.2 The Licensee shall give 30 days' prior written notice to the Authority of the date on which the Licensee intends to commence providing Mandatory Services to customers. The Licensee shall cooperate with the Authority in its investigation of the Licensed System and the Licensed Services in connection with the issuance by the Authority of a commencement certificate.

## **7 PART 7 RELATIONS WITH CUSTOMERS**

### **7.1 STANDARD CONTRACT OF SERVICE**

7.1.1 The Licensee shall submit a standard contract of service, for use with its non-commercial customers, for approval by the Authority, before commencement of its services. The Licensee shall file the standard contract, and amendments thereto from time to time,

## LICENSE TEMPLATE

with the Authority for its approval. The Authority shall approve the standard contract if it contains the terms and conditions described in sub clause 7.2.1 and if it contains terms and conditions that are not unduly burdensome on non-commercial customers.

- 7.1.2 The standard contract, as approved by the Authority, shall apply to all consumers that obtain NGMS from the Licensee.
- 7.1.3 Prior to providing NGMS to non-commercial customers, the Licensee shall enter into a contract with such customers in accordance with the standard form contract approved by the Authority.
- 7.1.4 The Licensee may enter into agreements with commercial customers for the provision of Licensed Services on terms that are negotiated between the Licensee and such customers.

### **7.2 CONTENTS OF THE STANDARD CONTRACT OF SERVICE**

- 7.2.1 The standard contract shall include, at a minimum, the following terms and conditions:

- 7.2.1.1 Deposits and alternative methods of providing security for payment where reasonably required, provided that in no circumstances such deposits or security exceeds the charges reasonably anticipated to be incurred by the customer within a three (3) month period,

- 7.2.1.2 Pricing or mechanisms by which prices are determined,

- 7.2.1.3 Confidentiality of customer information,

- 7.2.1.4 Refunds or other rebates for service problems or over-billing,

- 7.2.1.5 Payment terms, including any applicable interest or administration charges,

- 7.2.1.6 Minimum contract period,

- 7.2.1.7 Customer's and Licensee's rights of termination,

- 7.2.1.8 The customer shall not use the SIM for unsolicited, abusive, obnoxious, offensive, indecent, obscene, or menacing messages, calls or communications or for any improper, immoral or unlawful purpose, and

- 7.2.1.9 In case of a loss or theft of the SIM Card, the customer shall immediately inform and request the Licensee, in writing, to block the SIM Card, failing which, the customer shall not be absolved from criminal liability, if any, arising due to use of such SIM Card/connection in any unlawful/criminal act.

### **7.3 COMPLAINT SYSTEM**

- 7.3.1 The Licensee shall establish an efficient and easy-to-use system to promptly receive process and respond to complaints, claims or suggestions by customers of Licensed Services.

## LICENSE TEMPLATE

7.3.2 The Licensee shall make all reasonable efforts to resolve consumer complaints or disputes without delay and without recourse to the Authority.

7.3.3 If a complaint is filed with the Authority in connection with any dispute between the Licensee and a customer regarding any activity that is the subject of this License, the Authority may settle the dispute. Without prejudice to the appeal and revision rights established in Section 7 of the Act, the Licensee shall abide by any resulting decision of the Authority.

### **7.4 CONTENT AND FORMAT OF BILLS**

7.4.1 The Licensee may determine the content and format of its bills to customers provided that:

7.4.1.1 In relation to a customer, the bill reflects the types of service and the units for which charges are made including, but only to the extent requested by the customer, the starting time of each connection, the number called and the duration and number of units for each call; and

7.4.1.2 the Licensee retains in its records information sufficient:

7.4.1.2.1 to identify for customers the basis of the amount charged for use of its Telecommunication Services; and

7.4.1.2.2 to provide the Authority with an independent quality assurance that the billing process complies with the requirements set out above

7.4.2 The Licensee shall maintain appropriate billing processes to enable the Licensee to comply with the billing requirements of conditions in clause 7.4.1.

7.4.3 The above information must be made available to pre-paid customers either in printed or electronic form upon request. The supply of such information may attract a reasonable charge

### **7.5 CODE OF COMMERCIAL PRACTICE (CUSTOMER CHARTER)**

7.5.1 The Licensee shall publish within six months of the Effective Date, a code of commercial practices approved by the Authority. The code of practice shall include, at a minimum, provisions covering the following issues:

7.5.1.1 A commitment to take steps to remedy service interruptions as soon as reasonably possible and to provide reasonable credits to customers for lengthy outages,

7.5.1.2 Protection of the privacy of information transmitted over the Licensed System,

7.5.1.3 Maintenance by Licensee of the confidentiality of customer information,

7.5.1.4 Procedures for resolving disputes between Licensee and customers, and

7.5.1.5 Availability to customers of information concerning their accounts with the Licensee.

## LICENSE TEMPLATE

7.5.1.6 Commitment by the Licensee to customers in respect of standard and quality of Licensed Services.

### **7.6 PRIVACY OF COMMUNICATIONS**

- 7.6.1 The Licensee shall not monitor or disclose the contents of any communication conveyed over its Licensed System except to the extent necessary for the purpose of maintaining or repairing any part of the Licensed System or monitoring the Licensee's quality of service, or except as required by the Act, the Rules, Regulations and conditions of this License.
- 7.6.2 The Licensee shall take reasonable measures to safeguard its Licensed System from unauthorised interception of communication carried on the Licensed System.

### **7.7 CONFIDENTIALITY OF CUSTOMER INFORMATION**

- 7.7.1 Except as permitted below, the Licensee shall take all reasonable measures to prevent information about its customers, including information about their business, other than directory information, from being disclosed to third parties, including the Licensee's own subsidiaries, affiliates and associated companies, except information which is required:
- 7.7.1.1 for the process of collection of debts owed to the Licensee,
  - 7.7.1.2 by an Operator in relation to the provision of services to the customer, and provided that the information is disclosed in confidence to that Operator,
  - 7.7.1.3 by the Licensee's auditors for the purpose of auditing the Licensee's accounts, or
  - 7.7.1.4 for the prevention or detection of crime or the apprehension or prosecution of offenders or as may otherwise be authorised by or under any law of Pakistan.
- 7.7.2 Licensee shall be permitted to disclose information about a customer where the Licensee has clearly explained to the customer (a) the nature of the information to be disclosed, (b) the recipients of the information to be disclosed and (c) the purpose for the disclosure, and the customer has provided Licensee with consent to such disclosure.

### **7.8 HARASSING, OFFENSIVE, UNSOLICITED OR UNLAWFUL COMMUNICATION**

- 7.8.1 The Licensee shall take all reasonable steps to track and locate and prevent the source of harassing, unsolicited, offensive, fraudulent or unlawful communication.
- 7.8.2 The Licensee shall, on the directions of the Authority, terminate or suspend service to any customer that is the source of harassing, offensive or illegal communication.

## **8 PART 8 TARIFFS**

### **8.1 TARIFF OF NON-SMP OPERATORS**

8.1.1 Except as otherwise provided in this License or as required by the law, the Licensee cannot reduce the tariff below the floor price to be determined by the Authority.

8.1.2 If the Authority determines that the Licensee's prices for any Licensed Services are unfair and unreasonable to individual customers, the Authority may regulate Licensee's tariffs, terms and conditions for those Licensed Services. The Licensee shall comply with the Authority's orders, directives, determinations, guidelines and regulations relating to the Licensee's tariffs, terms and conditions for those Licensed Services.

### **8.2 PRICE REGULATION OF OPERATORS WITH SMP**

8.2.1 If the Authority determines that the Licensee possesses SMP in a relevant market, the Authority may regulate Licensee's prices, terms and conditions for those Licensed Services in the SMP market and any Licensed Services incidental thereto as determined by the Authority. The method of regulation shall be determined by the Authority and may include a requirement for prior approval of the Authority for any price, term or condition, or the maximum or minimum price, or both, for the Licensed Services.

### **8.3 PUBLICATION OF TARIFFS, NOTIFICATIONS AND DISPLAY OF INFORMATION**

8.3.1 The Licensee shall comply with all requirements regarding publication of prices, terms, and conditions, notifications and display of information, as established by the Authority from time to time. No hidden tariffs will be charged to the Customer.

## **9 PART 9 RELATIONS WITH OTHER OPERATORS**

### **9.1 INTERCONNECTION**

9.1.1 The Licensee shall, within 15 business days of a written request by another licensee, enter into negotiation, in good faith, for an agreement:

9.1.1.1 to connect and keep connected to the Licensee's Mobile Cellular System the Telecommunications Network run by the requesting operator at specified points of connection; and

9.1.1.2 to provide such other Mobile Services as are requested in order for the requesting operator to provide Mobile Services to its Customers.

9.1.2 The Licensee may not be required to enter into an agreement as required above vide sub clause 9.1.1 where to do so would, in its reasonable opinion and with the consent of the Authority:

9.1.2.1 Cause or would be likely to cause danger, damage or injury to any person or to any property;

## LICENSE TEMPLATE

- 9.1.2.2 Cause damage or otherwise interfere with the running of the Licensee's Mobile System or the provision of its Mobile Services over its Mobile System; or
- 9.1.2.3 Not be technically or commercially feasible.
- 9.1.3 If the Authority determines that the Licensee has SMP in the relevant telecom market under the Rules issued from time to time then termination charges shall be offered at cost based rates with reasonable margin, and
- 9.1.3.1 on a transparent, non-discriminatory and objective basis; and
- 9.1.3.2 subject to reasonable terms and conditions.
- 9.1.4 Subject to any default charges which may be approved by the Authority, the Licensee shall ensure that within a reasonable specified period of time to be set by the Authority its charges for the provision of Mobile Services in accordance with 9.1.3 shall be cost-oriented and fully justified, such charges to be calculated based on a reasonable assessment of the costs associated with establishing interconnection and providing the requested services.
- 9.1.5 The Licensee shall provide the evidence of cost for Interconnection Termination rates within 12 months of Commencement of the services. The cost accounts so provided should be certified by a practicing Cost and Management Accountant firm of Pakistan.
- 9.1.6 The Licensee shall provide to the Authority all such technical, operational and accounting information as the Authority may reasonably require in order to ensure that the requirements of this Condition are met. The Authority shall ensure that any information provided to it in accordance with this Condition which is expressed to be confidential is maintained as such.
- 9.1.7 In the event that the Licensee and the party requesting interconnection are unable to reach an agreement between themselves then either party may refer the matter to the Authority and the Authority shall use its best endeavours to determine the matter within three (3) months of the date of referral. The rates so determined will be binding on both the parties.

## 10 PART 10 INFRACTIONS AND SANCTIONS

### 10.1 SANCTIONS FOR VIOLATIONS OF THE LICENSE

- 10.1.1 If the Authority determines that the Licensee has violated a provision of this License or the Act, Rules or Regulations conditions of this License or any other order or instructions of the Authority, the Authority may by order impose one or more sanctions provided in the Act, the Rules and Regulations issued there under.

## 11 PART 11 TERMINATION AND AMENDMENT

### 11.1 TERMINATION OF THE LICENSE

- 11.1.1 The License shall remain in force until it is terminated by one of the following events:

## LICENSE TEMPLATE

11.1.1.1 The term of the License expires without renewal,

11.1.1.2 The Licensee agrees to the termination of this License, or

11.1.1.3 The License is suspended or terminated in accordance with the Act, Rules or Regulations, or the provisions of this License.

### **11.2 AMENDMENT**

11.2.1 This License may be amended by written agreement between the Licensee and the Authority subject to the provisions of the Act, Rules and Regulations.

## **12 PART 12 GENERAL**

### **12.1 ASSIGNMENT OF RIGHTS**

12.1.1 The License granted under the Act and Rules shall be personal to the Licensee and shall not be assigned, sub-licensed to, transferred directly or indirectly or held on trust for any person, without the prior written approval of the Authority.

### **12.2 OWNERSHIP AND CONTROL REPORTING**

12.2.1 The Licensee shall notify the Authority of the occurrence of any act, agreement or transaction that to its knowledge, directly or indirectly, results in (a) acquisition by a person or a group acting in common of more than 10 per cent of the Voting Interests of the Licensee, or (b) disinvestment by a person or a group acting in common having direct or indirect control of 10 per cent or more of the Voting Interest of the Licensee, of those Voting Interest to any other person or group of persons.

12.2.2 The Licensee shall give the notification referred to in sub clause 12.2.1 above to the Authority on the later to occur of (a) one day after the date that the Licensee becomes aware of the act, agreement or transaction, or (b) 60 days prior to the completion of the act, agreement or transaction.

12.2.3 For a period of one year following the Effective Date, the Licensee shall take all necessary steps to ensure that no transaction described in sub clause 12.2.1 takes place unless the prior consent of the Authority is obtained

### **12.3 NO LIABILITY BY THE AUTHORITY**

12.3.1 No suit, prosecution or other legal proceedings shall lie against the Authority or any Member or employee of the Authority in respect of anything done or intended to be done by the Authority in the good faith exercise of its powers under the Act.

### **12.4 FORCE MAJEURE**

12.4.1 Notwithstanding anything to the contrary contained in this License, if the Licensee shall be rendered unable to carry out the whole or any part of its obligations under this License for any reason beyond the control of the Licensee, including but not limited, to acts of God, strikes, war, riots etc, then the performance of the obligations of the Licensee as it is affected by such cause shall be excused during the continuance of any inability so caused provided that the Licensee has taken all appropriate precautions and reasonable measures to fulfil its obligation and that it shall within 14 days of its first

## LICENSE TEMPLATE

occurrence notify to the Authority the same and cause of such inability and its efforts to remove such cause and remedy it's consequences.

### **12.5 COMMUNICATION WITH THE LICENSEE**

12.5.1 The Licensee shall maintain on file with the Authority a current address for the Licensee, including telephone number, fax number and email address, and the name and title of a contact person, for the purposes of receiving communications from the Authority. Any notice or other communication to the Licensee permitted under this License may be given by hand delivering the same, or by mail, facsimile, or electronic mail addressed to the Licensee at its most recent address on file with the Authority.

## **13 PART 13 INTERPRETATION AND DEFINITIONS**

### **13.1 INTERPRETATION**

13.1.1 In this License, words importing the singular shall include the plural and vice versa.

13.1.2 The headings in this License shall not affect its interpretation.

13.1.3 Any reference, express or implied, to any legislation (including rules and regulations issued pursuant to that legislation) includes references to that legislation (and rules and regulations) as it may be amended or modified from time to time.

## LICENSE TEMPLATE

### 13.2 DEFINITIONS

The words and expressions used herein but not defined shall have the same meaning as are respectively assigned to them in the Act, the Rules and Regulations and Licenses issued thereunder. Unless the context otherwise requires, the following terms used in this License shall have the meanings indicated below:

**“AAA, AA+, A1”** means the most recent, as at the date it is required, credit rating published by State Bank of Pakistan

**“Act”** means The Pakistan Telecommunication (Re-organization) Act 1996.

**“Authority”** means the Pakistan Telecommunication Authority established under section 3 of the Act.

**“Basic Public Telephone Access Service”** means a Telecommunications Service providing access to the PSTN and comprised of technical features which permit the establishing of a telephony channel capable of allowing users to make and receive local, long distance and international real time voice telephone calls.

**“Board”** means the Frequency Allocation Board.

**“Control”** means control in any manner that results in control in fact of more than 10% or more, whether directly through ownership of shares or indirectly through an agreement, arrangement or otherwise, or indirectly through an agreement or arrangement involving next of kin.

**“City Coverage Area”** means 60% of the geographical area of a given city mentioned in Appendix I.

**“Day” and “Month”** means a calendar day or a calendar month as the case may be.

**“Effective Date”** means the date on which this License is issued by the Authority and is appearing on the first page of this License.

**“Existing Sites”** means the base stations sites used by the Licensee to provide mobile services under any license.

**“Federal Government”** means the Federal Government in the Ministry of Information Technology and Telecommunication Division, unless for any specific purpose specified otherwise by notification in the official Gazette notification or amendment in the Rules of Business, 1973.

**“Financial Year”** means the period of twelve (12) months in respect of which the Licensee is required to make up its Annual Report and Audited Accounts under the Companies Ordinance, 1984.

**“Fixed Services”** means the provision of telecommunications services by means of a fixed connection or a wireless system providing public fixed network connections to consumers.

**“GOP”** means the Government of Pakistan.

## LICENSE TEMPLATE

“**GPRS**” means General Packet Radio Services, as defined by the European Telecommunications Standards Institute (ETSI)

“**GSM**” means Global System for Mobile Communications, as defined by ETSI

“**Grey International Telephony Services**” includes involvement at any level in origination, termination, routing, carriage, modification, alteration of telecom traffic by licensed or unlicensed operator with the intent to avoid the associated fees, taxes levied by the Regulator or GOP from time to time and/or to conceal or misreport the traffic and the associated information from the Regulator or other GOP or international authorities for the gain of any motives other than the business as allowed under the License.

“**Interconnection Rules**” means the Rules relating to interconnection.

“**ITU**” means the International Telecommunications Union.

“**LI**” means Lawful Interception of communication

“**License**” means this License, together with the terms and conditions applicable thereto, and any amendments thereto.

“**Licensed Services**” means the Mandatory Services and the Optional Services as listed hereinabove.

“**Licensed System**” means the Telecommunication Systems which are in existence and operational or installed or otherwise provided, maintained and/or operated by the Licensee now and at any time and from time to time during the validity of the License for the purpose of providing Licensed Services by whatever means allowed under the License.

“**Long Distance**” means end to end communication between points that are (i) located in different Regions or (ii) such other distance apart as the Authority may by Regulations specify.

“**Long Distance and International Licensee**” means a Licensee licensed to offer end-to-end communication between points that are (i) located in different Regions of Pakistan or (ii) located in Pakistan on one end and outside of Pakistan on the other or (iii) such other distance apart as the Authority may by Regulations, specify.

“**Mandatory Services**” means the Telecommunications Services that the Licensee must provide under this License, as described in Clause 1.1.2.

“**Mobile Communications Service**” means a wireless-based Telecommunications Service where the Terminal Equipment may be connected to the Telecommunications System by wireless means and used while in motion

“**Mobile Numbering Portability**” means a facility provided by any licensed provider of Mobile Services to another licensed operator which enables any user to whom a mobile telephone number has been assigned to continue to be provided with Mobile Services using the same number irrespective of the identity of the service provider providing the service;

## LICENSE TEMPLATE

**“Mobile Virtual Network Operator (MVNO)”** means a person who has no License to operate a mobile Telecommunication Network and no frequency assignments, but who will provide Mobile Services to his own users by means of entering into arrangements with a Licensed Operator of a mobile Telecommunications Network for the provision to him of capacity and facilities on that network.

**“National Numbering Scheme”** means the scheme administered by the Authority which sets out the sequence of numbers or other characters which shall be used to route telephony traffic to specific locations and/or equipment;

**“Network Connection Point (NCP)”** is a location at which other Operators can send to or receive from the Licensee’s voice or data traffic originated by or destined for the Licensee’s customers.

**“Network Termination Point (NTP)”** means any point or node forming part of Licensed System through which the users may connect to the Licensed System by means of a wireless link and Public Telecommunication Network and are necessary at which Terminal Equipment may be connected.

**“Next Generation Mobile Services (NGMS)”** means the Mobile Communication Services offered through technologies standardized for 3G/4G/LTE and advanced generation(s).

**“Operator”** means any person authorised by a License issued by the Authority to establish, maintain and operate Telecommunications System or to provide Telecommunications Services.

**“Premium Rate Service”** means the service of routing a telephone call with a non-geographic number to a hidden geographic or mobile number, with a premium rate charge to the calling party.

**“Private Circuit”** means a telecommunication facility that provides for transmission capacity between fixed points within a Telecommunication System and does not enable the user to control the switching functions.

**“Public Mobile Payphone Services”** means the commercial provision to the public of mobile Public Telephone Access Services.

**“Public Voice Telephone Services”** means the commercial provision to the public of the transmission and switching of voice in real time between public switched Network Termination Points, enabling any user to use equipment connected to such a Network Termination Point to communicate with a user connected to another Network Termination Point.

**“PSTN”** means the Public Switched Telecommunications Network in Pakistan, consisting of the telecommunications transmission and switching facilities, including any wire, cable, radio, satellite, optical or other electromagnetic Telecommunication Systems, that are (i) owned by any Operator, (ii) used for the transmission and switching of intelligence for members of the public, and (iii) located wholly or partly in Pakistan.

**“RAB”** means Radio Access Bearer

**“Region”** means a telecommunications administrative region, as determined by the Authority.

## LICENSE TEMPLATE

**“Regulations”** means all or any the regulations issued from time to time by the Authority.

**“Rules”** means all or any rules issued from time to time by the Federal Government under the Act.

**“SMP”** means significant market power as defined in the Pakistan Telecommunication Rules, 2000.

**“SIM”** means Subscriber Identity Module

**“Telecommunications Service”** means a service consisting in the emission, conveyance, switching or reception of any intelligence within, or into, or from, Pakistan by any electrical, electro-magnetic, electronic, optical or opto-electronic system, whether or not the intelligence is subjected to re-arrangement, computation or any other process in the course of the service.

**“Telecommunications System”** means any electrical, electro-magnetic, electronic, optical or opto-electronic system for the emission, conveyance, switching or reception of any intelligence within or into, or from, Pakistan, whether or not that intelligence is subjected to re-arrangement, computation or any other process in the course of operation of the system, and includes a cable transmission system, a cable television transmission system and terminal equipment.

**“Terminal Equipment”** means equipment which is directly or indirectly connected to any Network Termination Point and which is used directly by users in order to access Telecommunications Services.

**“UE”** means User Equipment.

**“Voting Interest”** means, in respect of

- (a) a corporation with share capital, means the vote attached to a voting share,
- (b) a corporation without share capital, means an interest that entitles the owner to voting rights similar to those enjoyed by the owner of a voting share,
- (c) a partnership, a trust, an association or a joint venture, means an ownership interest in the assets of it that entitles the owner to receive a share of the profits of it, to receive a share of the assets of it on dissolution and to participate directly in the management of it or to vote on the election of the persons to be entrusted with the power and responsibility to manage it, and
- (d) a not-for-profit partnership, trust, association or joint venture, means a right that entitles the owner to participate directly in the management of it or to vote on the election of the persons to be entrusted with the power and responsibility to manage it.

**“VSAT Services”** means satellite communications services utilizing very small aperture terminals capable of satellite communications.

## Appendix I - NETWORK ROLL-OUT

### A1. NETWORK ROLL-OUT AND PERFORMANCE BOND

A1.1 Where the NGMS Licensee has obtained usage rights for **2100 MHz** spectrum in the NGMSA it shall provide 3G coverage at the Quality of Service defined in Appendix III in the areas as stipulated below:

A1.1.1 **First Phase:** The Licensee shall within nine (9) months [fifteen (15) months for a New Entrant] from the Effective Date of this license, provide NGMS coverage from at least 20% of Existing Sites or coverage of 20% of the City Coverage Area (whichever is greater) in all four Provincial Capital cities and Federal Capital.

A1.1.2 **Second Phase:** The Licensee shall within one (1) year and six (6) months [thirty (30) months for a New Entrant] from the Effective Date of the license, provide NGMS coverage from at least 20% of existing sites or coverage of 20% of the 2G Coverage Area (whichever is greater) in ten additional 10 cities (two of which must be located in each of the four provinces).

A1.1.3 **Third Phase:** The Licensee shall within four (4) years [five (5) years for a New Entrant] from the Effective Date of the license, provide NGMS coverage in 75% of District headquarters (minimum of four 4 District Headquarters in each province), where coverage of a District Headquarter means the area of the Tehsil within which the District Administrative headquarter lies.

A1.1.4 **Fourth Phase:** The license shall within six (6) years [Seven (7) years for New Entrant] from the Effective Date of the license, provide NGMS coverage in 50% of all Tehsil headquarters (minimum 20 Tehsil Headquarters in each province).

A1.2. As a guarantee for the performance of Licensee's obligations in A1.1, the Licensee shall deliver to the Authority a Performance Bond in the shape of an unconditional, irrevocable and continuing Bank Guarantee from a local bank in Pakistan with credit rating of AA+ and above, or a foreign bank having credit rating of A1 and above, acceptable to the Authority for the amount of US\$15,000,000 (US Dollars Fifteen Million only) or its equivalent in Pakistan Rupees of the value prior to Effective Date. The licensee shall be entitled to release and exchange of the performance bond according to the time period specified in A1.1.1 to A1.1.4 above, proportionately to the roll out obligations met by the licensee. In case any phased roll-out obligation is not fulfilled, Performance Bond proportionate to the roll-out obligation not met shall be encashed by the Authority. Each Performance Bond shall remain in force until 6 months after the associated phase of the network roll-out.

A2.1 Where the NGMS Licensee has obtained usage rights for **1800 MHz** spectrum in the NGMSA it shall provide 4G / LTE coverage at the Quality of Service defined in Appendix III in the areas as stipulated below:

## LICENSE TEMPLATE

**A2.1.1 First Phase:** The Licensee shall within twelve (12) months [one (1) year and six (6) months for a new entrant] from the Effective Date of the License, provide NGMS presence in all four Provincial Capital cities and Federal Capital.

**A2.1.2 Second Phase:** The Licensee shall within three (3) years [three (3) years and six (6) months for a New Entrant] from the Effective Date of the license, provide NGMS coverage of 25% of the 3G Coverage Area in ten additional cities (one of which must be located in each of the four provinces)..

**A2.1.3 Third Phase:** The Licensee shall within five (5) years [six (6) years for a New Entrant] from the Effective Date of the license, provide NGMS coverage of 50% of District Headquarters where coverage of a District Headquarters means the area of the Tehsil within which the District Administrative headquarters lies.

**A2.1.4 Fourth Phase:** The Licensee shall within seven (7) years [eight (8) years for a new entrant] from the Effective Date of the license, provide NGMS coverage in 25% of Tehsil Headquarters.

**A2.2** As a guarantee for the performance of Licensee's obligations in A2.1, the Licensee shall deliver to the Authority a Performance Bond in the shape of an unconditional, irrevocable and continuing Bank Guarantee from a local bank in Pakistan with credit rating of AA+ and above, or a foreign bank having credit rating of A1 and above, acceptable to the Authority for the amount of US\$15,000,000 (US Dollars Fifteen Million only) or its equivalent in Pakistan Rupees of the value prior to Effective Date. The licensee shall be entitled to release and exchange of the performance bond according to the time period specified in A2.1.1 to A2.1.4 above, proportionately to the roll out obligations met by the licensee. In case any phased roll-out obligation is not fulfilled, Performance Bond proportionate to the roll-out obligation not met shall be encashed by the Authority. Each Performance Bond shall remain in force until 6 months after the associated phase of the network roll-out.

**A3.1** Where the NGMS Licensee has obtained usage rights for **850 MHz** spectrum in the NGMSA it shall provide coverage at the Quality of Service defined in Appendix III in the areas as stipulated below:

**A3.1.1 First Phase:** The Licensee shall within one (1) year from the Effective Date of the spectrum assigned in Appendix II, provide NGMS coverage of all four Provincial Capital cities and the Federal Capital.

**A3.1.2 Second Phase:** The Licensee shall within two (2) years from the Effective Date of the spectrum assigned in Appendix II, provide NGMS coverage of ten additional cities (two of which must be located in each of the four provinces)

**A3.1.3 Third Phase:** The Licensee shall within three (3) years and six (6) months from the Effective Date of the spectrum assigned in Appendix II, provide NGMS coverage of 75% of District Headquarters where coverage of a District Headquarter means the area of the Tehsil within which the District Administrative headquarter lies.

## LICENSE TEMPLATE

A3.1.4 **Fourth Phase:** The Licensee shall within three (5) years from the Effective Date of the spectrum assigned in Appendix II, provide NGMS coverage in 50% of Tehsil Headquarters.

A3.2 As a guarantee for the performance of Licensee's obligations in A3.1, the Licensee shall deliver to the Authority a Performance Bond in the shape of an unconditional, irrevocable and continuing Bank Guarantee from a local bank in Pakistan with credit rating of AA+ and above, or a foreign bank having credit rating of A1 and above acceptable to the Authority for the amount of US\$15,000,000 (US Dollars Fifteen Million only) or its equivalent in Pakistan Rupees of the value prior to Effective Date. The licensee shall be entitled to release and exchange of the performance bond according to the time period specified in A3.1.1 to A3.1.3 above, proportionately to the roll out obligations met by the licensee. In case any phased roll-out obligation is not fulfilled, Performance Bond proportionate to the roll-out obligation not met shall be encashed by the Authority. Each Performance Bond shall remain in force until 6 months after the associated phase of the network roll-out.

A3.3 The Authority reserves the right to suggest the extension of the Licensee's Services to other major cities of Pakistan where technically and commercially viable, with or without assistance of USF, after negotiation.

## Appendix II - 2100 MHZ / 1800 MHZ / 850 MHZ BANDS ASSIGNMENT, TERMS & CONDITIONS

### A1. RADIO FREQUENCY SPECTRUM ASSIGNED TO LICENSEE

A1.1 The Licensee is assigned the following radio frequency spectrum from the Effective Date for use in providing the Licensed Services nationwide in Pakistan **excluding** Azad Jammu & Kashmir (AJK) and Gilgit Baltistan (GB):

**2100 MHz band spectrum:** 2 x XX MHz: 19xx – 19xx MHz paired with 21xx – 21xx MHz

**1800 MHz band spectrum:** 2 x 10 MHz: 17xx – 17xx MHz paired with 18xx – 18xx MHz.

**850 MHz band spectrum:** 2 x 7.38 MHz: 8xx – 8xx MHz paired with 8xx – 8xx MHz

A1.2 Upon termination of the assignment to the Licensee of the radio frequencies listed in A1.1, the Licensee shall cease using any apparatus or device that emits or receives any radio communication at those radio frequencies and shall cause its customers to discontinue using any such apparatus or device.

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### Appendix III – QUALITY OF SERVICE

#### A1. QUALITY OF SERVICE STANDARDS

- A1.1 The Licensee shall take reasonable and prudent measures to ensure that the Licensed System and Licensed Services are available as per the network roll out obligations and operate as per the following QoS Key Performance Indicators (KPIs) at all times.
- A1.2 Any fault in any component of its Licensed System or Licensed Service shall be repaired as per the time lines given in the following standards.
- A1.3 PTA's Regulation on QoS and 3GPP latest Version/Release for Cellular Mobile (3G/4G/LTE) shall be followed. The Authority may carry out tests on the quality of the Licensed Services and the Licensed System and the Licensee shall extend full co-operation and assistance for the purpose including provision of test instruments and equipment.
- A1.4 The Licensee shall maintain records of its performance in meeting these QoS standards, and shall submit them to the Authority on a quarterly basis in such format as the Authority may require. The Licensee shall maintain supporting records for inspection and technical audit as and when required by the Authority. The Licensee shall maintain all such records for a period of three years.
- A1.5 During each calendar month, Licensee shall meet or exceed the following quality of service standards (except for causes attributable to another Operator or a service provider that provides telecommunications services outside Pakistan):

Indicators	Minimum Target	Remarks
<b>Service Provisioning</b>		
<b>Service Activation Time</b>		
Post-Paid	1hr.	
Pre-paid	30 min.	
<b>Service Quality</b>		

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<p>The Licensee shall be solely responsible for meeting all regulatory obligations such as PTA's Regulations on QoS and relevant International standardization forums such as ETSI, ANSI, ITU, 3GPP/2, IEC</p>		
Key Performance Indicator	Benchmark	Remarks
Network Down-time	$< 1 \%$ (excluding forced shutdown)	
Grade of Service (end to end blocking)	$\leq 2 \%$	
Service Accessibility	97% up to three years from the date of commencement and Greater than 98% thereafter.	
Call Connection Time	$\leq 6.5 \text{ sec}$	
Call Completion Ratio	$> 98 \%$	
Mean Opinion Score (Average of, Average A2B plus Average B2A)	$\geq 3$	As recommended by ITU-T in recommendation number P.862.2 ( PESQ), P.862.3 (POLQA) or latest ITU/Relevant forum recommendation
SMS Success Rate	$> 99\%$	
End to End SMS Delivery Time	$\leq 12 \text{ seconds}$	
RAB setup success rate	$> 97\%$	
Session abnormal release rate	$< 2\%$	
Inter System Handover (ISHO) for CS Voice (only)	$\geq 94\%$ for three years from the date of commencement and 98% thereafter	

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<b>Indicators</b>	<b>Bench Mark</b>	<b>Remarks</b>
<b>Customers' Complaints</b>		
<b>Customers' Complaints/100 Subscribers / Month</b>		
Complaints Regarding Billing	<=1 %	
Complaints Regarding Network Operability	<=1 %	
<b>Complaint Turn Around Time</b>		
%age of Billing Complaints Resolved Within 24 hrs.	98 %	
%age of Billing Complaints Resolved Within 48 hrs.	100 %	
%age of Complaints (Regarding Network Operability) Resolved Within 24 hrs.	95 %	
Within 48 hrs.	100 %	
<b>Billing Service</b>		
Billing Complaints	0.2 per 100 bills issued	Applies to complaints which are valid
Reconnection Time After Clearing Arrears	15 min.	The time it takes in minutes to reconnect the service once the due payment has been made by the customer

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<b>Operator Service</b>			
Operator Assistance Response Time Within 30 sec.	≥98 %	There should be a queuing system for all operator attended calls i.e., no call should receive a busy signal; rather each call is queued and maximum calls (as shown in the given benchmark) should be answered within 30 seconds.	
Dedicated Customer Complaint Helpline Response Time within 30 sec.	≥98 %		
Directory Assistance Response Time Within 30 sec.	≥98 %		
Calls to Emergency Numbers Handled Within 30 Seconds	100%		
<b>Directory Assistance</b>			
Updated Directory Assistance	Provisioning of redirect mechanism to PTCL directory	Provisioning of updated directory assistance	<p>The Licensee should provide redirect service mechanism for accessing PTCL's Directory Assistance to its subscribers.</p> <p>The Licensee is required to provide its own Directory Assistance services after one year of the Effective Date.</p>
<b>Network Management &amp; Security</b>			
Voice Security during Connection	Yes		
Personal Information Security	Yes		
Provisioning of Centralized Customer Complaint Database	Yes		
Provisioning of Computerized Directory Access System	Yes		

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Probability of Fraud on User's Account	No	The Licensee should demonstrate to PTA that fraud controlled procedures are in place.
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A1.5.1 Where the NGMS Licensee has obtained usage rights for **2100 MHz** spectrum in the NGMSA, it shall provide the Quality of Service across the coverage areas defined in A1.1 of Appendix - I as stipulated below:

Key Performance Indicator	Benchmark for 3G	Remarks
User data throughput	A minimum user data rate of 256 kbps typical	To be measured at random locations within the coverage area
Signal Strength (RSCP)	A minimum outdoor signal strength of -100 dBm must be achievable with 90% confidence within the areas defined in Appendix I.	

A1.5.2 Where the NGMS Licensee has obtained usage rights for **1800 MHz** spectrum in the NGMSA, it shall provide the Quality of Service across the coverage areas defined in A2.1 of Appendix - I as stipulated below:

Key Performance Indicator	Benchmark for 4G/LTE	Remarks
User data throughput	A minimum user data rate of 2 Mbps typical	To be measured at random locations within the areas covered
Signal Strength (RSRP)	A minimum outdoor signal strength of -100 dBm must be achievable with 90% confidence within the areas defined in Appendix I.	

## LICENSE TEMPLATE

A1.5.3 Where the NGMS Licensee has obtained usage rights for **850 MHz** spectrum in the NGMSA it shall provide the Quality of Service across the coverage areas defined in A1.3 of Appendix - I as stipulated below:

<b>Key Performance Indicator</b>	<b>Benchmark</b>	<b>Remarks</b>
User data throughput	A minimum user data rate of 256 kbps typical	To be measured at random locations within the areas covered

A1.6 The Authority may revise the QoS standards and targets in A1.5 at any time. In addition, any QoS KPIs devised in future and regulations made thereto by the Authority for the Licensed Services shall be strictly followed by the Licensee.