

DRAFT AUTHORIZATION TEMPLATE
GOVERNMENT OF PAKISTAN
PAKISTAN TELECOMMUNICATION AUTHORITY
PTA H/Q's F-5/1 Islamabad, Pakistan
<http://www.pta.gov.pk>

Authorization No. MDM ()/ - /PTA/2020

Dated: , 2020



Authorization

**AUTHORIZATION TO OPERATE & MANUFACTURER FOR MOBILE DEVICE
MANUFACTURING (MDM) IN PAKISTAN**

"In exercise of powers conferred under sub-section (2) of section 29 read with clause (g) of sub-section (2) of section 5 of the Pakistan Telecommunication (Re-organization) Act, 1996 the Authority (hereinafter called Authority), hereby, grants non-exclusive Authorization for Mobile Device to **{Name and business address of the MDM}** (Hereinafter called the "Authorization Holder") to operate and manufacture a Mobile Device Manufacturing (MDM) facility in Pakistan **excluding** Azad Jammu & Kashmir (AJ&K) and Gilgit – Baltistan (GB), on the terms and conditions contained in **Appendix - I** and **II**, the provisions of existing enactments, including rules and regulations made there under and Amendments/modifications made thereto together with new enactment as may be considered expedient and necessary from time to time.

This Authorization shall come into force from the date of its issuance and shall be valid for the period of 10 years duration subject to payment of such fee(s) as the Authority may specify from time to time. This Authorization may be renewed for another term(s) beyond ten years on six months prior written request of the licensee before expiry of the existing term of the license subject to the terms and conditions applicable at that time.

(For and on behalf of the Authority)
Director (Type Approvals)
P.T.A. HQs, Islamabad

CEO/Director

Name of the MDM Authorization Holder

Business address

Ph: _____ E-Mail: _____

ARTICLE 1 - GRANT OF AUTHORIZATION

1.1 SCOPE OF THE AUTHROIZATION

- 1.1.1. This Authorization allows the Authorization Holder
- a. To manufacture PTA Type Approved mobile device(s) models for **Manufacturer (Name), Brand (Name)** in Pakistan in accordance with rights granted under this Authorization
- 1.1.2. This AUTHORIZATION does not authorize the following:
- a. To manufacture non-type approved mobile by PTA
 - b. Type Approved models which do not meet conditions as per condition No. 2 of this Authorization.
 - c. To manufacture any mobile device models for the specific brand for which Authorization is not granted by the Authority

1.2 EFFECTIVE DATE AND TERM OF THE AUTHORIZATION

- 1.2.1. This Authorization for Mobile Device Manufacturing shall come into force on the Effective Date, “the effective date is the date of the signing of the Authorization”, and shall be valid for a term of 10 years.
- 1.2.2. If the Authorization Holder wishes to renew the Authorization at the expiration of the initial term, it shall submit to the Authority a written request to renew the Authorization at least 6 months prior to the expiration of the initial term.
- 1.2.3. Within 6 months after the receipt of the Authorization Holder notice pursuant to section 1.2.2, the Authority shall either:
- (a) Renew the Authorization 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
 - (b) Give written notice to the Authorization holder stating that the Authority may not renew the Authorization and provide reasons thereof, which may include the Authorization Holder’s repeated, grave or continuing violations of the terms and conditions of this Authorization, the Act, Rules or Regulations during the initial term of the Authorization. The Authorization Holder shall be given 60 days to make written representations in response to the Authority's show cause notice. Within 30 days after the conclusion of such 60day period, the Authority shall hold a hearing where the Authorization Holder may make representations in response to the Authority's show cause notice. The Authorization Holder may, as part of its representations, indicate the further Authorization conditions it is prepared to accept to reduce the likelihood of continued or further violations of the terms and conditions of this Authorization, the Act, Rules or

Regulations. Following such hearing, the Authority shall, within 15 days, give its determination either:

- (i) That the Authority has determined not to renew the Authorization at the expiration of the initial term, and provide its reasons for making such a determination, or
- (ii) To renew the Authorization 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
- (iii) To renew the Authorization 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, and including such additional terms as the Authority considers appropriate to reduce the likelihood of continued or further violations of the terms and conditions of this Authorization, the Act, Rules or Regulations.

1.2.4. Within 30 days after receiving notice of the Authority's determination to renew the Authorization pursuant to section 1.2.3(b)(iii), the Authorization Holder shall notify the Authority either accepting or rejecting the renewal. If the Authorization Holder fails to notify the Authority within the 30 day period, or if the Authorization Holder notifies the Authority rejecting the renewal, this Authorization shall expire at the conclusion of the initial term. If the Authorization Holder notifies the Authority accepting the renewal, this Authorization shall expire at the conclusion of the initial term and the renewed Authorization shall take effect thereafter.

ARTICLE 2 - GENERAL CONDITIONS

2.1 OBLIGATION OF AUTHORIZATION HOLDER

Following are the obligations of the Authorization Holder:-

- a) *The Authorization Holder shall be allowed to manufacturer (Name) mobile devices for specific brand (brand name) subject to Type Approval for specific model belonging to the brand only. A manufacturing plant is allowed to manufacturer mobile device models for a specific brand only for which it holds Authorization/Permissions from the principal/manufacturer/OEM/ODM.*
- b) *In case of more than one Brand belonging to different manufacturer/OEM/ODM, it shall require a separate manufacturing facility and Authorization at a new premise;*
- c) *Authorization Holder will develop a complete automated online searchable system with access to PTA which shall hold complete device record e.g. Serial Number, programmed IMEI on device, color of device, year of manufacturing etc. and shall integrate with PTA system prescribed from time to time;*
- d) *Authorization Holder shall obtain ISO 9001 certification within one year from issuance of manufacturing Authorization and shall submit the same to PTA. Furthermore, upon*

certification, Authorization Holder shall publish quarterly ISO9001 related reports on its website. Furthermore, Authorization holder to obtain any other certification as directed by the Authority from time to time.

- e) Authorization Holder shall certify to comply with all International and Local Safety & environmental standards and obtain certification from certification bodies i.e. Occupational Safety & Health Administration (OSHA), Pakistan Occupational Health and Safety Act, 2018 issued by Pakistan Engineering Council etc. for its plants within one year of operations. The certification reports shall be made available on Authorization Holder's website and provided to PTA, as and when required.*
- f) Authorization holder will ensure a minimal covered area space of 4000 Square feet for establishment of its manufacturing facility. Moreover, employees need to be equipped with proper attire/gear to ensure safety standards as per best international practices.*
- g) In case of re-location/expansion of a manufacturing facility, Authorization Holder shall notify PTA in writing at least 90 days in advance and invite PTA for inspection within 30 days from operations to evaluate changes carried out.*
- h) Authorization Holder shall ensure that Finished Product/ Box/Accessories etc. shall have CE Certification etching as well as visible labelling/markings for each manufactured device showing "Manufactured in Pakistan".*
- i) Each model shall require PTA Type Approval prior to the commercial sell/market. Furthermore, for all devices manufactured in Pakistan, Authorization Holder is required to obtain GSMA Certificate with country code assigned to Pakistan. In case, Authorization holder opt to manufacture already type approved models, it must have authorization/permission from Principal/OEM/ODM as well as obtain fresh GSMA TAC belonging to Pakistan Code for said model.*
- j) Authorization holder shall ensure to program all emergency helpline codes within its mobile devices within one (1) year of its operations for general public facilitation.*
- k) Authorization Holder shall ensure to introduce Urdu language functionality within its manufactured devices within one (1) year of operations to create ease for local consumers*
- l) Authorization Holder will place an awareness leaflet on each finished product reflecting for consumer on how to verify device IMEI status through DIRBS as well as print the programmed IMEI numbers of the device on each box.*
- m) Authorization holder shall setup after sales/service centers for consumer facilitation in Federal Capital, Provincial Capitals and major cities for facilitation of its consumers within one (1) year as well as establish touch points in smaller cities/Districts etc. for such facilitation.*
- n) Authorization Holder shall establish a fully functional website as well as official domain name email & mailing addresses for correspondence as well as publish in detail of its after sales services addresses and contact details on its website.*
- o) Authorization Holder will register all manufactured mobile devices along with IMEI*

and obtain Certificate of compliance to technical standards/Permissions by applying via DIRBS portal or any other mechanism prescribed by PTA from time to time. Applicant will publish yearly report on manufactured devices for general public and place it on their website.

- p) An undertaking by Applicant on Stamp paper PKR 50/- or above manufacturing plant is allowed to manufacturer mobile device models for a specific brand only for which it holds Authorization/Permissions from the principal/manufacturer. In case of more than one Brand belonging to different manufacturer, it shall require a separate manufacturing plant and Authorization*
- q) Authorization Holder shall certify to comply with all International and Local safety standards and produce quarterly reports/certifications etc. to be published on their website and provided to PTA ensuring it meets all standards.*
- r) Authorization Holder will obtain Certificate of Compliance to Technical Standards for each consignment of parts (SKD/CKD) imported or locally manufactured for manufacturing of type approved mobile device(s) through DIRBS portal or any other mechanism prescribed by PTA from time to time.*
- s) The Authorization Holder shall ensure transfer of technology of mobile device manufacturing within three years from issuance of this Authorization by PTA for the proliferation of technology and skill development within Pakistan. Transfer of technology includes complete transfer of chipset design, complete PCBA design & fabrication, display screen design & fabrication and associated accessories e.g. power cables, handsfree etc. The Authorization holder shall submit a complete compliance technical report for fulfilment of this obligation.

2.2 COMPLIANCE WITH LAW

- 2.2.1 This Authorization Holder is subject to the terms and conditions contained herein and to the Act, Rules and Regulations respectively. In the event of any conflict or inconsistency between the provisions of this Authorization, and the provisions of the Act, Rules or Regulations, the provisions of the Act, Rules and Regulations shall prevail.
- 2.2.2 The Authorization Holder shall manufacture mobile device(s) in compliance with the laws of Pakistan.
- 2.2.3 The Authorization Holder shall at all times co-operate with the Authority and its authorized representatives in the exercise of the powers, functions and responsibilities assigned to the Authority under the Act. The Authorization Holder shall comply with all orders, determinations, directions and decisions of the Authority.
- 2.2.4 The Authorization Holder shall ensure transfer of technology of mobile device manufacturing within three years of issuance of Authorization by PTA locally to enable proliferation of R&D and skill development within Pakistan.

2.3. LOCALIZATION

2.3.1 The Authorization Holder will ensure localization as follows:

Duration	Localization Details	Localization vis-à-vis value of Device
End of Year I	Packing Materials	2% of total manufactured device packaging to be done locally
End of Year II	Charger	2% of total manufactured device chargers to be produced locally
	Bluetooth hands-free	1% of total manufactured device hand-free to be produced locally
	Mother board (PCB) Assembly*	10% of total manufactured device PCBA to be produced locally
	Housing and other Plastic Parts etc.	8% of total manufactured device to be done locally
	Display	8% of total manufactured device display screens and components to be produced locally
	Battery	10% of total manufactured device batteries to be produced locally

Note: All above shall be manufactured as per ITU-T technical standards and certification reports for all component shall be provided to PTA for verification and type approval to be obtained for all terminal equipment where applicable

2.3.2. The Authorization holder shall ensure that after fulfilment or localization requirements as per clause 2.3.1 of the Authorization, the applicant shall ensure complete localization whereby all device parts shall be manufactured locally within Pakistan.

2.4. DISCONTINUATION OF OPERATIONS

The Authorization Holder shall not discontinue its manufacturing operations without a prior notice to the Authority, at least 6 months in advance as well ensure it has complied with all legal obligations e.g. Warranty period for its product, aftersales services support etc.

2.5. INSPECTION

2.6.1. The Authorization Holder shall allow inspection of its manufacturing plant premises by an authorized representative of the Authority as and when required by the Authority.

2.6. NATIONAL SECURITY

The Authorization Holder shall comply with the national security and other requirements of section 54 of the Act and any other national security requirements under any other law as intimated from the Authority from time to time.

2.7. TERMINAL EQUIPMENT STANDARDS

2.7.1. All Terminal Equipment shall conform to the technical standards as prescribed by the Authority from time to time:

Provided that where the Authority has not prescribed any technical standards for a type of terminal equipment, the technical standards laid down by following standardization bodies may be adopted:

- a. ITU Telecommunication Standardization Sector (ITU-T).
 - b. European Standards (EN).
 - c. The International Electro- Technical Commission (IEC) and its International Special Committee on Radio Interference (CISPR).
 - d. The European Committee for Electro Technical Standardization (CENELEC).
 - e. The European Telecommunications Standards Institute (ETSI).
 - f. Occupational Health and Safety Assessment Specification (OHSAS).
 - g. International Organization for Standardization (ISO)
 - h. Directive 2014/53/EU for Radio Equipment Directive (RED)
- 2.7.2. The Authority may recognize the test reports issued by world-renowned laboratories duly accredited by the accreditation council within the originating country.
- 2.7.3. All Terminal equipment must also comply with the essential requirements & standards which are as follows:
- a. Interoperability
 - b. Valid International Mobile Equipment Identity Code
 - c. Safety Requirements i.e. Mobile/Handheld devices are required to comply with a Specific Absorption Rate (SAR) limit of 2 watts/Kg of tissue (average over 10 gm) when exposed to a radio frequency (RF) electromagnetic field.
 - d. Provided test report(s) conforming to notified standards must be issued by an accredited laboratory duly registered by National accreditation council of their country.

2.8 TYPE APPROVAL OF TERMINAL EQUIPMENT

- 2.8.1. The Authorization Holder 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 telecommunication equipment type approval agency or a recognized telecommunication equipment testing laboratory in a member country of the Organization of Economic Cooperation and Development (OECD). The Authorization Holder shall not install or connect, or permit the installation or connection of, any Terminal Equipment or type of Terminal Equipment prohibited by the Authority.

2.9 COMMENCEMENT CERTIFICATE

- 2.9.1. The Authorization Holder shall begin its operations for manufacturing within 3 months of issuance of this Authorization. The Authorization Holder shall inform the Authority 1 week prior to commencement of its operations for inspection in writing of its premises and demonstrate manufacturing of devices. Upon satisfactory inspection a commencement certificate shall be issued by the Authority within 1 months of the inspection.
- 2.9.2. The Authority may upon a written request of the Authorization holder extend this period by another 6 months in exceptional circumstances

2.9.3. In case of non-satisfactory report during inspection at any stage, the Authority shall reserve the right not to register/whitelist IMEI till the time satisfactory report for identified issue are resolved by the Authorization holder.

Note: Failure to commence manufacturing operations within three (03) months of issuance of Authorization, the Authority may revoke its Authorization and forfeit Authorization fee.

ARTICLE 3 - FEES AND OTHER CHARGES

3.1 PTA APPROVED MOBILE DEVICE MANUFACTURER AUTHORIZATION FEE

1) The applicant shall deposit Application Processing Fee (non-refundable) of US Dollar 5,000 or its equivalent in Pak Rupees to the Authority and shall submit proof of payment along with application. The applicant shall be required to pay Authorization Fee of US Dollars 50,000 or its equivalent in Pak Rupees to the Authority on completion of all requirement but before effective date of the Authorization.

3.2 GENERAL CONDITIONS CONCERNING FEES

- 1) For the purpose of conversion of payable fee into Pakistan Rupees, NBP TT selling rate prevailing at the business day preceding the date of payment shall be used.
- 2) In addition to the fees payable as mentioned in 3.1, the Authorization holder shall pay to the Authority all fees required to be paid under the Act, Rules and Regulations.

3.3 REPORTING & INFORMATION PROVISIONING

The Authorization Holder shall maintain financial records and books of accounts in accordance with the laws of Pakistan. The Authorization Holder shall submit Annual Audited Accounts (AAAs) to the Authority within 120 days of the closing date of financial year of the Authorization Holder. The Authority shall have the right to audit such statements at any time. The audited accounts and notes therein shall show, apart from other, at least following information about the Authorization issued by PTA:

- (a) Gross revenue (total amount accrued and billed/ invoiced to the customers,
- (b) Description and amount of each cost element or item,
- (c) Gross profit, operating profit, profit before and after tax,
- (d) Description and amount of each type of tax, duty, levy paid and payable to the Government of Pakistan,
- (e) Detail of fees due to the Authority and amount being paid,
- (f) Number of temporary, part time, full time, ad hoc persons employed by the Authorization Holder,

In addition to AAAs, the Authorization holder may be required to submit additional reports duly certified by Auditors of the Authorization Holder in format prescribed by the Authority from time to time.

Further, the Authorization Holder is required to maintain and keep, apart from other, at least following record in Pakistan for last 5 years updated and available at all times for inspection and audit by designated officers of the Authority:

1. Complete detail of each foreign import of Raw/Finished material/inventory and equipment import,
2. Complete detail of local purchase of Raw/Finished material/inventory and equipment,
3. Complete record of finished products inventory and sale in local market as well as export sales.
4. Any other regulatory reports or information, as desired by the Authority, from time to time.

ARTICLE 4

TERMINATION AND AMENDMENT

4.1 TERMINATION OF THE AUTHORIZATION

4.1.1. The Authorization shall remain in force until it is terminated by one of the following events:

- (a) The term of the Authorization expires without renewal,
- (b) The Authorization Holder agrees to the termination of this Authorization, or
- (c) The Authorization is suspended or terminated in accordance with the Act, Rules or Regulations, or the provisions of this Authorization.

4.2 AMENDMENT

4.2.1. This Authorization may be amended by written agreement between the Authorization Holder and Authority, or pursuant to the provisions of the Act, Rules or Regulations or mandatory amendment as may be required by the Federal Government through Policy Directive.

ARTICLE 5 (MISCELLENEOUS)

5.1 NO LIABILITY BY THE AUTHORITY

5.1.1. Without prejudice to the rights of the Authorization Holder under section 7 of the Act, no suit, prosecution or other legal proceeding 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.

5.2 FORCE MAJEURE

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

notify to the Authority the same and cause of such inability and its effects to remove such cause and remedy its consequences.

5.3 COMMUNICATION WITH THE AUTHORIZATION HOLDER

5.3.1. The Authorization Holder shall maintain on file with the Authority a current address for the Authorization Holder, including telephone number, fax number and email address, and the name, title and complete contact details of all key management personnel of the Authorization Holder, for the purposes of receiving communications from the Authority. Any notice or other communication to the Authorization holder permitted under this Authorization may be given by hand delivering the same, or by mail, facsimile, or electronic mail addressed to the Authorization Holder at its most recent address on file with the Authority.

5.4 ASSIGNMENT OF RIGHTS

5.4.1 This Authorization granted under the Act and Rules shall be personal to the Authorization Holder and shall not be assigned, sub-authorized to, transferred, directly or indirectly or held on trust any person, without the prior written approval of the Authority.

ARTICLE-6

INTERPRETATION AND DEFINITIONS

6.1. INTERPRETATION

- 6.1.1. In this Authorization, words importing the singular shall include the plural and vice versa. Words denoting persons shall include body corporate and unincorporated associations of persons and vice versa.
- 6.1.2. The headings in this Authorization shall not affect its interpretation.
- 6.1.3. 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, modified or repealed and re-enacted or re-promulgated from time to time.

6.2. DEFINITIONS

- 6.2.1. Unless the context otherwise requires, the following terms used in this Authorization shall have the meanings indicated below:
- “**Act**” means the Pakistan Telecommunication (Re-organization) Act, 1996;
- “**Authority**” means the Pakistan Telecommunication Authority established under section 3 of the Act;

“PTA APPROVED MOBILE DEVICE MANUFACTURER” means a company that is a holder of Mobile Device Manufacturing (MDM) Authorization

“Terminal Equipment” means any apparatus directly or indirectly connected to any network termination point and used for sending, processing receiving intelligence;

“Applicant” means firm/company who is applying for Mobile Device Manufacturing Authorization to the Authority

“Mobile Device” means a communicating device having SIM/IMEI functionality such as mobile phone, Tablet, Router, Dongle, Tracking Device etc.

"Effective Date" means the date on which this Authorization is issued by the Authority.

"Federal Government" means the Federal Government of Pakistan.

"Financial Year" means the period of twelve (12) months from July 1st to June 30th in respect of which the Authorization Holder is required to make up its Annual Report and Audited Accounts.

"Regulations" means all or any regulations issued from time to time under the Act by the Authority

"Rules" means all or any rules issued from time to time under the Act.

“Mobile Device Manufacturer” means firm/company having Authorization from the Authority to manufacturer mobile device(s) under this Authorization.