

License Template

GOVERNMENT OF PAKISTAN
PAKISTAN TELECOMMUNICATION AUTHORITY
PTA H/Q's F-5/1 Islamabad, Pakistan
_www.pta.gov.pk



License No. DIR (L)/CVAS-XXX/PTA/2012

Dated:

CLASS LICENSE
TO ESTABLISH, MAINTAIN AND OPERATE
VALUE ADDED SERVICES IN PAKISTAN

In exercise of the powers conferred by section 5 of Pakistan Telecommunication (Reorganization) Act, 1996 (hereinafter called the "Act"), , and, the Pakistan Telecommunication Authority (hereinafter called Authority) hereby, grants non-exclusive license to **M/s** _____ (Hereinafter called the "Licensee"), **whose address for official communication is:** _____, to establish, maintain and operate Value Added Services in Pakistan(as per attached Schedule "E" of CVAS Regulations), without having its own off-premise infrastructure, except in instances where wireless systems can be deployed, on a secondary basis, through availability of spectrum from PTA/FAB, on terms and conditions as per annexures to this license and provisions of Act, Rules & Regulations , , including Amendments/modifications made /issued from time to time.

This license shall come into force from the date of its issuance and shall be valid for the period of 7 15 years duration subject to payment of such fee(s) as the Authority may specify from time to time.

<< Name >>
<< Designation >>
<< Company Name >>

For and on behalf of the Authority

Director General Licensing

Terms & Conditions

1. Commencement of Services:

- 1.1 The licensee is required to obtain commencement certificate, separately for each telecom region and for each service, before launch of commercial operations of its services within 12 months of grant of this license.
- 1.2 In case of failure to obtain commencement for any one telecom region within the above specified duration the Authority shall initiate the legal proceedings under section 23 of the Act.

2. Interconnection Framework

- 2.1 Interconnection between the Telecommunication System of the Licensee and the Telecommunication Systems of other Operators shall be governed by the “Pakistan Telecom Rules, 2000(as amended form time to time)” and “PTA Interconnection Guidelines”, provided that the Telecommunication System of the Licensee is deemed to be a Connectable System for the purposes of the Rules and Interconnection Guidelines.

3. Tariff Framework

3.1 **General-: The following sub-paras shall apply unless the Authority feels that the waiver on regulating tariff is to be done away with.**

- 3.1.1 Except as otherwise provided in this License and Fixed Line Tariff Regulations, 2004, the premium rate services, payphones, the Licensee is free to set prices for the Licensed Services as it may deem fit.
- 3.1.2 If the Authority determines that the Licensee’s prices for any Licensed Services are unfair and unreasonable, the Authority may regulate Licensee’s retail prices, terms and conditions. **In case the Authority decides to abolish the ‘waiver in regulating the tariff’, the Authority will register detailed reasons to do so and present to the stake-holders on request.** The Licensee shall comply with the determination of the Authority..

4. SMP Service Provider:

- 4.1.1 If the Authority determines that the Licensee possess an SMP status in a relevant market, the Authority may regulate Licensee’s prices, terms & conditions for the licensed service and other services incidental thereto as maybe determined by the Authority.

5. Inspection & Reporting

5.1 Financial Reporting

The licensee shall maintain financial records and books of accounts in accordance with the laws of Pakistan for the duration of the license. The licensee shall submit audited financial statements and summary of accounts to the Authority within 120 days of the closing date of financial year of the licensee. In addition to this, the licensee is required to submit detail of its

gross revenue and other details as per sample chart at Annex-C alongwith its Annual Audited Accounts (on annual basis)..

5.2 Technical Reporting

The licensee shall maintain all technical details in accordance with the License conditions, Rules and Regulations for the duration of the license, as per the sample chart at Annex-C. The licensee shall submit this detail on annual basis alongwith submission of Annual Audited Accounts and/or as and when required by the Authority.

5.3 Inspection

- i. The licensee shall be obliged to allow inspection by an authorized representative of the authority of any premises at any time or telecommunication equipment and furnish to the Authority such information as may be required by the Authority
- ii. The Authority reserves the right to inspect the licensee's system at any time.
- iii. Any other regulatory reports or information, as desired by the Authority, from time to time.

6. Number Allocation

The licensee shall have the right to apply for numbering resource required for operation of its licensed services. These may include premium rate numbers, toll free numbers, UAN (authority decision ?) and short codes etc, in line with their license conditions. All such type of numbers shall be allocated as per the "Number Allocation & Administration Regulations, 2005" as amended from time to time by the Authority.

7. Spectrum

- 7.1 The provisions of Pakistan Telecom (Re-org) Act, 1996 shall apply for allocation of radio frequency
- 7.2 The licensee may be granted frequency spectrum only on a secondary basis. In the national interest, the licensee will be obliged to relinquish such rights in case the Authority/FAB plan to re-farm the same. The Authority/FAB will not be accountable for any kind of loss therein.

8. Infrastructure:

The licensee cannot deploy/install its own infrastructure for operation of licensed services. However the licensee can lease the infrastructure facilities only from access providers (Local Loop Operators and Cellular Mobile Operators) and Long Distance & International (LDI) Operators

9. Service Level Agreements & Code of Practice for Consumer Affairs

- 9.1 The licensee shall submit its code of practice for consumer affairs and standard contract of service to the Authority within 6 months of issuance of license and get it approved by the Authority.
- 9.2 Inter-operator Service Level Agreement(s) will be sent to the Authority within 12 months of issuance of license and/or upon each agreement for information.

10. National Security & Legal Interception/Monitoring

- a. All equipment shall be “Lawful Interception” (LI) compliant
- b. Comply with the requirement of “section-54” of the Act and any other national security requirements.
- c. No remote access shall be provided outside the country..
- d. No ciphering/encrypted or related services will be provided, however after seeking Authority’s permission to use ciphering/encryption, an encryption key will be provided to the Authority. The licensee shall adhere to all the relevant directives, rules, regulations and policies issued from time to time.

11. Anti-Competitive Behavior

The licensee shall refrain from anti-competitive conduct and abide by the anti-competitive laws of the country and all applicable rules & regulations issued by the Authority from time to time.

12. Payment of Fee

The licensee will pay to the Authority Initial License fee and annual license fee as prescribed in Annexure-B to this license and relevant regulations.

General Conditions

1. License Duration, Renewal and Termination:

- a. Term of the license: This license under the prevailing regulations shall automatically expire on the Seventh (7th) anniversary of the effective date, i.e. license issuance date.
- b. This license can be renewed for another similar term of 7 years, provided that the licensee request to the Authority for renewal for another term, at least 6 months prior to the license expiry date or as per requirements as per rules & regulations at that time. If the licensee fails to request for renewal of this license within this time, then the license shall stand expired on its due date.
- c. **Termination of license:** The licensee, under the conditions of this license, is required to provide the telecommunication services for which this license is granted. The Authority retains the right to terminate the license without any notice, in line with Rules & Regulations, in case of the following occurrences:-
 - i. Failure of the licensee to obtain commencement certificate and provisioning of services within 12 months of issuance of the license
 - ii. Continuous suspension/interruption of all services nationwide for a consecutive or combined period of 15 days over any six month period , as long as the interruption is not a result of force majeure.
 - iii. Bankruptcy filing by the licensee.
 - iv. Failure to clear any dues/fees as applicable on due date.
 - v. Violation of the laws of the Country leading to conviction is which criminal in nature.
 - vi. Violation on issues of National Security.

2. Modification

The license and its terms & conditions may only be modified by mutual consent of the licensee and the Authority. However, any obligations put in place through an ACT, Rules, Regulations or Policy directive shall be mandatory and immediately come into effect and binding on all operators through changes processed by the Authority, except for the duration of the license..

3. Provisioning of Services:-

- a.** This license entitles the licensee to provide any service under the schedule “E” of the CVAS regulations and which is specifically mentioned in the initial application specifically by name.
- b.** In case the licensee wants to provide a new service, falling under the schedule “E” of the CVAS regulations which was not already applied for, then the licensee will apply for commencement of such service(s) from the Authority before launch..
- c.** For each service, the commencement certificate will be obtained separately.
- d.** The class value added services, at all times cannot be compared with basic services, and this license does not provide any right to the licensee to provide any basic service on its own, neither this license provide any right to the licensee for installation of any type of infrastructure facility.
- e.** For non-corporate (consumer) customers, access connectivity can be obtained through valid access service providers i.e cellular/ LDI/ LL licensees only.
- f.** Furthermore, the licensee shall ensure that the facilities (acquired in any manner, including but not limited to lease, rent, hire) are obtained from PTA licensed operators only and/or which have been installed for Telecommunication purpose only.

- g.** Point-to-point and multipoint connectivity can additionally be offered to corporate customers only for provisioning of a data pipe such that the applications and content can only be that of the customer, without any switching or drop & insert capability of the licensee's network. In such circumstances the infrastructure shall be obtained as mentioned in the para(s) above, or through spot frequencies allocated by PTA/FAB based on the policies in vogue.
- h.** For Licensee's own backhaul, the connectivity can be obtained through an LL or LDI or Infrastructure Licensees only, as the case maybe.
- i.** The licensee at all times shall provide the service(s) in accordance with PTA guidelines, ITU standards, global standards and/or any other directives passed by the Authority at any time.
- j.** The licensee shall at all times entertain any verification/inspection by the Authority or its concerned officers, for the purpose of provisioning of services or any other regulatory matters.
- k.** Use of ISM bands i.e 2473.5-2483.5 MHz, 5725-5875 MHz and 24-24.25 GHz will be limited to maximum permissible EIRP 100 milli-Watts/20 dBm per site and maximum permissible distance of 100 meters per hop for provisioning of data communication services, only.
- l.** MRITT regulations issued by PTA from time to time shall apply.
- m.** The licensee shall ensure that in case its network is being used for any illegal activity identified by PTA or in the knowledge of the licensee, shall be blocked forthwith and all available information shall be provided to PTA.

4. Discontinuation of Services

- a.** The licensee shall not discontinue/terminate/wind-up its service or part there-off, to its subscribers, without 3 months prior intimation to the Authority and its subscribers. Claims by PTA for all due payment by the Licensee shall remain valid and required to be paid before winding the business or when it becomes

due. In case the payment is not made within due time, a penalty of 2% per month shall be imposed. The licensee will also comply with Consumer Protection Regulations 2009 and its amendments issued by the Authority from time to time.

5. Assignment of Rights:-

- a.** The licensee shall not assign, transfer, subcontract, dispose of, or in any manner alienate the license or any part thereof, or any benefit or interest therein or there under without the prior written approval of the Authority.
- b.** For a wholly owned company, operated by an individual or individual shareholders, the change in Management, transfer of shares, or license, in any form whatsoever will not be allowed until there is prior written approval of the Authority.
- c.** For a public limited company, whose shares are floated among the public and listed in any stock exchange, any change by more than 10% ownership in shares will not be allowed until there is prior written approval of the Authority.

6. Quality of Service (QoS) Obligations

The Licensee shall at all times meet or exceed the quality of service standards laid down by the Authority through regulations. The Licensee shall maintain records of its performance and submit them to the Authority on annual basis and as and when required in such format as determined in relevant regulations. The Licensee shall maintain all such records for the duration of the license.

7. Payment of Fees:

- a.** The licensee shall pay the following fees:-
 - i.** Initial License Fee: Rs.100,000/- before grant of license, for not-for-profit license ILF will be Rs. 500,000/-

- ii.** Non Interest based Performance Guarantee: Rs. 200,000/- before grant of license. Where the performance guarantee relates to the licensee's regulatory compliance (including license conditions).
- iii.** Annual License Fee shall be levied as follows:
 - 1.** Licensee whose Adjusted Annual Gross Revenue for the year are above Rs 2,000,000 shall pay 0.5% of its Adjusted Annual Gross Revenue . Whereas Adjusted gross revenue means Annual Gross Revenue minus inter-operator payments including interconnection & leased line charges)
 - 2.** Licensee whose annual adjusted gross revenue is less than or equal to Rs. 2,000,000 the annual license fee shall be a fixed sum of Rs. 10,000/- .
 - 3.** Licensees which have been granted not-for-profit based license shall pay 20% of ILF fixed on annual basis.
- b.** Annual Audited Accounts:- Within 90 days of closure of each financial year, the licensee shall submit its Annual Audited Accounts and pay its Annual Fee within 120 days of closure of its financial year, as mentioned in paras above.
- c.** In case the above conditions are not complied by the licensee, the Authority will forfeit the performance guarantee and in the meantime a show cause notice will be served under section 23 of the Act to the licensee for cancellation of the license.
- d.** In case, after the hearing to SCN, the licensee submits its AAAs, then the licensee shall submit its Annual Fee plus late payment charges, in this event, the performance guarantee will be restored by the Authority to its original value and the SCN will be disposed off.
- e.** Late payment charges will be applicable as per regulations.
- f.** The performance guarantee as mentioned in para 7(a)(ii) is refundable upon license expiry or early termination of license only. In case of

cancellation/termination adjustments of payments (if outstanding dues are to be paid) will take place to an extent of forfeiting the amount and/or recovery of dues under provisions of the Act in case the dues are more than performance guarantee.

8. Change of Address

The licensee shall ensure that the official address (including contact person detail i.e. Address, Telephone/Mobile/Fax No, Email, address etc) in its license application and license documents is correct and up-to-date. In an event where it has (or intends) to change its official address for correspondence, the licensee shall duly intimate the Authority to update the same. Any miscommunication and/or loss to the licensee in any manner whatsoever shall not be levied upon the Authority.

9. Existing Licensees

- a.** In case the licenses issued under previous regulations, wishes to convert their license into this framework, an annual license fee will be charged at 0.4% as a regulatory incentive instead of 0.5%.
- b.** However, once converted, the new conditions & regulations in this framework will apply.