

GOVERNMENT OF PAKISTAN
MINISTRY OF INFORMATION TECHNOLOGY & TELECOMMUNICATION
(IT & TELECOM DIVISION)

No. 1-2/2020-DT

Islamabad, the 11th August, 2021

Subject: - **POLICY DIRECTIVE FOR THE AUCTION OF NEXT GENERATION MOBILE SERVICES (NGMS) SPECTRUM IN AZAD JAMMU AND KASHMIR (AJ&K) AND GILGIT BALTISTAN (GB) FOR IMPROVEMENT OF MOBILE BROADBAND SERVICES**

Currently, five Cellular Operators are providing Cellular Mobile services in AJ&K and GB including Special Communication Organization (SCO). A significant surge in the demand of mobile broadband services has been witnessed particularly during the COVID-19 pandemic. This ever-increasing reliance on mobile broadband services necessitated the demand for availability of more spectrum to meet the connectivity needs of the citizens of AJ&K and GB.

2. After considering the recommendations of the Auction Advisory Committee (constituted by the Federal Government vide 1-2/2020-DT dated 1st October 2020, amended 24th March 2021); based on the inputs from the Consultant, Pakistan Telecommunication Authority (PTA) and Frequency Allocation Board (FAB), this policy directive is hereby issued in exercise of powers under sub-section (2) of section 8 of the Pakistan Telecommunication (Re-organization) Act, 1996, as enforced in AJ&K by virtue of Azad Jammu & Kashmir Council Adaptation of Pakistan Telecommunication (Re-organization) Act, 2005 (including all amendments made from time to time) and in GB by virtue of Gilgit Baltistan Council Adaptation of Laws Act, 2012 (including all amendments made from time to time), for carrying out the auction of radio frequency spectrum in 1800 MHz and 2100 MHz bands as made available by FAB for compliance by Pakistan Telecommunications Authority:

- a. A transparent, competitive process shall be formulated by the PTA for auctioning 2 x 16 MHz spectrum in the 1800 MHz band and 2 x 30 MHz spectrum in the 2100 MHz as made available by the FAB.

- b. The base price for 2x1 MHz (1 MHz paired) spectrum in both 1800 and 2100 MHz bands is USD 0.87 Million respectively.
- c. Additionally, 2 x 10 MHz spectrum earmarked by FAB for SCO in both 1800 and 2100 MHz bands is approved for assignment to SCO.
- d. PTA will issue an Information Memorandum specifying therein the detailed procedure of the auction, including eligibility criteria and steps for participating in the auction process. The auction will accordingly be conducted by PTA in minimum possible time after issuance of Policy Directive by the Federal Government.
- e. The spectrum assignment will be “Technology Neutral” and usable for all existing and upcoming advanced generations/technologies, within the applicable policy framework of the Government of Pakistan.
- f. To ensure optimal utilization of radio frequency spectrum, PTA in consultation with FAB shall endeavor to provide each CMO with the opportunity to acquire such additional spectrum that will enable it to hold, in total, spectrum in multiples of standard 5MHz paired spectrum blocks.
- g. Post spectrum auction, all CMOs will be required, within a reasonable time as determined by the PTA, to comply with the rationalization plan as may be issued by the PTA in consultation with FAB to ensure the optimal utilization of contiguous spectrum holdings.
- h. Existing CMOs and New Entrants are eligible to participate in this auction.
- i. Transactions related to Spectrum Auction i.e. Spectrum fee shall be US Dollar denominated, however, the amount shall be paid either in US Dollar or in equivalent Pak Rupees. For the purpose of conversion, National Bank of Pakistan TT selling rate prevailing on the date preceding the date of payment shall be used.
- j. Payment terms shall be as under:
 - i. Minimum 50% upfront payment within one month of auction date, while the remaining to be paid in 10 equal instalments in 10 years;

- ii. Moreover, if auction winner intends to pay the remaining balance liability on account of initial spectrum fee at any time before the end of 10 years, it would be acceptable and without any pre-payment penalties.
- iii. The PTA shall transfer auction proceeds to the AJ&K and GB Councils less the administrative charges, cost of regulation and consultancy charges within 30 x days from the receipt of said fee.
- k. The tenure of frequency assignment will be for 15 years. Spectrum won under auction process will be incorporated by PTA in the renewed cellular licenses (due for renewal in June 2021 i.e. of Jazz, Telenor and Ufone). However, in order to align the expiry dates of cellular licenses in AJ&K and GB, the tenure may be accordingly adjusted by PTA for the CMPAK license which is due for expiry in August 2022 with necessary payments and adjustments.
- l. Provisions for Active infrastructure sharing, Spectrum Trading and Sharing will be incorporated in the new licenses and will take effect as per the approved regulatory framework.
- m. Terms and conditions relating to enhanced coverage, enhanced Quality of Service (QoS) etc, shall be incorporated by PTA in order to enhance mobile broadband proliferation in the region.
- n. This Policy is issued in supersession of Policy Directive for Next Generation Mobile Services in AJ&K and GB, No DII-1/3/2013-AJ&KC dated 17th August 2017.



(Muhammad Omar Malik)
Committee Secretary/Member Telecom

Chairman, Pakistan Telecommunication Authority