

**PAKISTAN TELECOMMUNICATION AUTHORITY**

**PTA Headquarters, F-5/1 Islamabad, Pakistan**

*(www.pta.gov.pk)*

License No. LL \_\_\_\_\_

Dated: xxxxxxxxx

**LOCAL LOOP LICENSE ISSUED UNDER SECTION 21 OF THE  
PAKISTAN TELECOMMUNICATION (RE-ORGANIZATION) ACT, 1996**

The Pakistan Telecommunication Authority ("Authority") hereby grants a non-exclusive license to xxxxxxxxxxxxxxxxxxx (Pvt.) Ltd., [- - - - - Address - - - - -] (the "Licensee") to provide the Licensed Services and to establish, maintain and operate a Telecommunication System in the Licensed Region i.e. <Region Name>, subject to the terms and conditions contained herein.

For and on behalf of the Authority,

\_\_\_\_\_  
**[- - - Name - - - ]  
Director General (Licensing)**

For and on behalf of

**[Name of Signatory]**  
Chief Executive Officer or Authorized Representative  
**xxxxx (Pvt.) Ltd.**  
[- - - - - Address - - - - -]  
[- - - - - Address - - - - -]  
[- - - - - Address - - - - -]

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## ARTICLE 1 - GRANT OF LICENSE

### 1.1. SCOPE OF THE LICENSE

1.1.1. This License authorizes the Licensee:

- (a) To provide the Licensed Services in the Licensed Region described in Appendix 1, and
- (b) To establish, maintain and operate the Licensed System.

### 1.2. NATURE OF LICENSED SERVICES

1.2.1. The Licensee shall provide the following Mandatory Services in its Licensed Region:

- (a) Basic Public Telephone Access Service, including:
  - (i). Access to emergency services,
  - (ii). Access to directory enquiry services,
  - (iii). Access to operator assistance services, and
  - (iv). Access to Long Distance and International Public Voice Telephone.
- (b) Access to Internet/ Fixed Broadband and Public Data Services within Licensed Region,
- (c) Such other Telecommunication Services as the Authority may, by Regulation, require.

1.2.2. This License does not authorize the following:

- (a) The provision of Telecommunication Services outside a Licensed Region,
- (b) The interconnection of the Telecommunication System of the Licensee to the Telecommunication System of a service provider that provides telecommunication services outside Pakistan,
- (c) Distribution of radio or television programming by means of a cable television transmission system,
- (d) Broadcasting of radio or television programming,
- (e) Mobile Communication Service, other than Limited Mobility Communication Service,
- (f) Telecommunication Service by means of a space station transmission facility orbiting the earth, except for VSAT Services for communication exclusively within the Licensed Region,

- (g) The establishment, maintenance or operation of a Telecommunications System to provide any Telecommunication Service that is not authorized in this License,
- (h) Provision of any Licensed Service to any other person who is not authorized to provide such Telecommunication Services for commercial purposes,
- (i) Such other activities or Telecommunication Services as the Authority may, by Regulation, prohibit.

1.2.3. The Licensee shall not provide any Telecommunication Service that is not authorized in this License, except pursuant to a separate License or other proper authorization from the Authority.

1.2.4. For greater certainty, in providing a Limited Mobility Communication Service using the Telecommunication System, the Licensee shall comply with the following:

- (a) A customer shall only be enabled and permitted to access a designated single radio base station,
- (b) The designated radio base station shall only be changed with the consent of the customer,
- (c) The Licensee shall not change a customer's designated radio base station until at least 5 days after the agreement to such a change is made with the customer,
- (d) The Licensee shall not subsequently change the designated radio base station until at least 5 days after implementation of a prior change in the designated radio base station,
- (e) The Licensee shall follow the numbering plan for Basic Public Telephone Access Services adopted by the Authority,
- (f) The Licensee shall not authorize or facilitate a customer of its Limited Mobility Communication Service to authenticate or use Terminal Equipment with the Mobile Communication Service of another Operator,
- (g) The Licensee shall not permit the use with its Limited Mobility Communication Service of Terminal Equipment that is authenticated for, or permitted to be used with, the Mobile Communication Service of another Operator,
- (h) The Licensee shall not enter into any agreement or arrangement to jointly bill a customer for the Licensee's Limited Mobility Communication Service and another Operator's Mobile Communication Service provided to that customer, and
- (i) The Licensee shall ensure that operating range of each radio base station does not extend beyond the limits of the Local Calling Area in which the radio base station is situated, except with the prior approval of the Authority.

1.2.5. The Licensee shall provide access to Long Distance and International Public Voice Telephone and Data Service, Free phone Service and Premium Rate Service only through the interconnection of its Telecommunication System with the Telecommunication System of another Operator duly licensed by the Authority to provide

Long Distance and International Public Voice Telephone and Data Services. However, as an exception to the foregoing, the Licensee may use its Telecommunication System to provide Public Voice Telephone and Data Services, Free phone Service and Premium Rate Service between points that are located wholly within a single Licensed Region to customers that also receive Mandatory Services from the Licensee.

- 1.2.6. For greater certainty, the Licensee shall not provide Long Distance Telecommunication Service by means of the interconnection of Licensee's Telecommunication System to the Telecommunication System of another Operator that is authorized by the Authority under a License that is similar in scope to this License, to provide Basic Public Telephone Access and Data Service outside a Licensed Region (including, without limitation, the Licensee).
- 1.2.7. The Licensee shall obtain prior approval of the Authority at the time the Licensee begins to offer a new category of Licensed Services, other than Mandatory 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.
- 1.2.8. Upon being informed by the Authority that an Operator's License from the Authority to provide a Telecommunication Service or to establish, maintain and operate a Telecommunication System, is suspended or terminated, the Licensee shall as promptly as practical in the circumstances, disconnect its Telecommunication System from the Telecommunication System of that Operator, and discontinue using the Telecommunication Service of that Operator, until such time as the Authority informs the Licensee that the Operator's License from the Authority is restored or renewed.
- 1.2.9. Notwithstanding sections 1.2.2(d), the Licensee is permitted to provide GMPCS Service, provided that the Licensee first obtains authorization from the Authority to provide such GMPCS Service, and provided further that the Licensee complies with such terms and conditions as the Authority may decide.

### **1.3. EFFECTIVE DATE AND TERM OF THE LICENSE**

- 1.3.1. This License shall come into force on the Effective Date and shall be valid for a term of 20 (twenty) years. At the expiration of term, this License may be renewed for any further term. If the Authority decides not to renew this license by a similar or another lesser term, then a written notice must be served to the Licensee before the expiration of the initial term., in line with Pakistan Telecommunication Rules, 2000.
- 1.3.2. If the Licensee wishes to renew the License at the expiration of the initial term, it shall submit to the Authority a written request to renew the License at least 30 months prior to the expiration of the initial term.
- 1.3.3. Within 06 months after the receipt of the Licensee's notice pursuant to section 1.3.2, 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
  - (b) Give written notice to the Licensee stating that the Authority may not renew the License and provide reasons thereof, which may include the Licensee's

repeated, grave or continuing violations of the terms and conditions of this License, the Act, Rules or Regulations during the initial term of the License. The Licensee 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 60 day period, the Authority shall hold a hearing where the Licensee may make representations in response to the Authority's show cause notice. The Licensee may, as part of its representations, indicate the further License conditions it is prepared to accept to reduce 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, give its determination either:

- (i). That the Authority has determined not to renew the License at the expiration of the initial 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, or
- (iii). 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, 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 License, the Act, Rules or Regulations.

- 1.3.4. Within 30 days after receiving notice of the Authority's determination to renew the License pursuant to section 1.3.3(b)(iii), the Licensee shall notify the Authority either accepting or rejecting the renewal. If the Licensee fails to notify the Authority within the 30 day period, or if the Licensee notifies the Authority rejecting the renewal, this License shall expire at the conclusion of the initial term. If the Licensee notifies the Authority accepting the renewal, this License shall expire at the conclusion of the initial term and the renewed License shall take effect thereafter.



## **ARTICLE 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 provision of the Licensed Services.
- 2.1.2 Number resource shall be allocated and managed under the provisions of Numbering Allocation & Administration Regulations, 2018 or its amended versions which PTA may issue from time to time.
- 2.1.3 The Licensee shall allocate individual numbers to customers from the blocks allocated to it by the Authority and shall maintain suitable records of its utilization of numbering capacity, subject to the following:
- (a) 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
  - (b) 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 month notice period should it be necessary to withdraw or to change allocated numbers.

### **2.2 NO IMMEDIATE REQUIREMENTS TO PROVIDE CERTAIN SERVICES**

- 2.2.1 If the Authority determines, pursuant to the Rules, that a Licensee possesses SMP in a relevant market, the Licensee shall comply with orders of the Authority that are intended to promote competition in respect of that relevant market or markets ancillary thereto, including without limitation orders to:
- (a) Provide access to its ducts, poles, towers, space and co-location in switching centers or other similar facilities for use by other Operators, or
  - (b) Make available to its customers, indirect access (carrier selection) to Long Distance and International Public Voice Telephone and Data Services provided by other Operators.

### **2.3 NUMBER PORTABILITY**

- 2.3.1 The Licensee shall not be required to make available number portability to its customers or other Operators unless and until the Authority, by Regulation, so requires.

## **ARTICLE 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, Policies and Regulations respectively. In the event of any conflict or inconsistency between the provisions of this License, and the provisions of the Act, Rules, Policies or Regulations, the provisions of the Act, Rules, Policies and Regulations shall prevail.
- 3.1.2. The Licensee shall establish, maintain and operate its Licensed System to 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 authorized representatives in the exercise of the powers, functions and responsibilities assigned to the Authority under the Act. The Licensee shall comply with all orders, determinations, directions and decisions of the Authority.
- 3.1.4. The licensee shall provide all information / data and provide access to network / telecommunication system etc. to the Authority or the officer of the Authority duly authorized by the Authority for the purpose of carrying out enforcing and monitoring the license terms and condition in light of provision of the Act, Rules, Regulations, Authority decisions and Polices issued from time to time.
- 3.1.5. The Licensee shall not enter into any contract, agreement or other arrangement which is, in any way, inconsistent with any obligations of this License or requirements placed upon the Licensee under this License, the Act, Policies, the Rules or the Regulations. Any such contract agreement or other arrangement shall, to that extent, be void.

### **3.2 NETWORK ROLL-OUT OBLIGATIONS**

- 3.2.1 The Licensee shall establish at least one Network Connection Point (NCP) in its Licensed Region and commence the provision of Mandatory Services in its Licensed Region within 18 (eighteen) months from the Effective Date.
- 3.2.2 In case, the licensee fails to establish one network connection point in its licensed region and commence the provision of mandatory services within the period as provided in the license condition No. 3.2.1 above without providing any plausible reason and justification in writing to the Authority three months from the completion of 18 months and there is no approval or decision of the Authority for extension, the license shall stand cancelled without any further notice.

3.2.3 The Licensee shall provide Licensed Services in at least Four (04) Districts/ Tehsils within Licensed Region within timelines as specified below:-

<b>S. No.</b>	<b>District/ Tehsil @</b>	<b>Deadline (Months from Date of Commencement Certificate)</b>	<b>Network Rollout Obligation – Next Generation Access Network Connections (NGAN)</b>
a.	District/ Tehsil – 1	Twelve (12) Months	300
b.	District/ Tehsil – 2	Twenty-four (24) Months	300
c.	District/ Tehsil – 3	Thirty-six (36) Months	300
d.	District/ Tehsil – 4	Forty-eight (48) Months	300
<b>Total - Next Generation Access Network Connections</b>			<b>1200</b>

*Note: @ ITR and LTR will provide Rollout obligations in all Tehsils of its respective Licensed Region.*

3.2.4 The Licensee shall provide on annual basis a report for the above mentioned phase wise network roll out obligation by 31<sup>st</sup> January each year.

3.2.5 The Licensee shall maintain and operate its NCP(s) with appropriate functionality and adequate capacity in its Licensed Region for the term of this License.

### **3.3. ACCESS PROMOTION CONTRIBUTION**

3.3.1 LL Licensee will be entitled to receive Access Promotion Contribution (APC) from LDI Licensee for successfully terminated international incoming calls.

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

3.4.1 The Licensee shall provide its customers that use Basic Public Telephone Access and Data Services with access to emergency services, including direct operator assistance or automatic connections to local police, fire and ambulance assistance by means of a simple telephone number with operator standby assistance available in case of automated systems failure. The Licensee shall comply with other requirements imposed by the Authority in relation to emergency services.

### **3.5. DIRECTORY INFORMATION**

3.5.1 The Licensee shall provide directory enquiry service to its customers, consisting of access to current information as the telephone numbers of its customers and the customers of other cooperating Operators, except for those customers that request not

to have such information publicly disclosed. The Licensee shall not charge customers for directory assistance service on a call by call basis.

- 3.5.2 The Licensee shall, on an annual basis, provide printed directories to its customers. Printed directories shall contain information regarding the names and telephone numbers of the Licensee's customers and the customers of other cooperating Operators, except for those customers that request not to have such information publicly disclosed.
- 3.5.3 The Licensee shall permit other Operators to access its directory information, consisting of customer name, address and telephone number, except for those customers that request not to have such information publicly disclosed, in order to permit such Operators to offer their own directory enquiry service and to print telephone directories. The Licensee shall negotiate the pricing, terms and conditions of such access with other Operators that request the same. If the Licensee and another Operator are unable to agree on the pricing, terms and conditions of such access, either Operator may refer the matter to the Authority for a decision.

### **3.6. ALTERATION OF NETWORK**

- 3.6.1 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 in order to comply with the requirements of law or any applicable policy.
- 3.6.2 The Licensee must give adequate notice of any changes in the specification or performance of any part of the Licensed System which would require changes to apparatus or systems attached to or interconnected with the Licensed System or which would have the effect of making such connections inoperable. All such changes shall be approved by the Authority. Changes must be published in a reasonable manner and time scale approved by the Authority.

### **3.7. THE PROHIBITION ON CROSS-SUBSIDIES**

- 3.7.1 The Licensee shall not cross subsidize the business under the License through financial resources acquired by him through other licenses held by it in Pakistan and/ or AJ&K and/ or GB, by any person controlling it, controlled by it, or under direct or indirect common control with it. This clause is aimed at preventing any anti-competitive behavior in the market.
- 3.7.2 If the Authority, after allowing the Licensee a proper opportunity to respond to any concerns expressed by it, is satisfied that the Licensee is unfairly cross-subsidizing any separately priced Licensed Service by any other Licensed Service, the Authority may serve a written notice on the Licensee requiring it to remedy the situation within the time period specified in the notice.
- 3.7.3 If other licenses are held by the licensee in Pakistan and/ or AJ&K and/ or GB, by any person controlling it, controlled by it, or under direct or indirect common control with it, the

licensee shall maintain and submit to the Authority the separate accounts for each license and for separate areas of business activities under each license in accordance with relevant regulations and guidelines.

**3.8. PROHIBITION OF UNDUE PREFERENCE AND UNDUE DISCRIMINATION**

- 3.8.1 Except as expressly provided for in this License, the Licensee shall not, in any manner, show undue preference to or exercise undue discrimination against different persons, licensees, groups or classes of customers with respect to the terms, charges or conditions on which it provides any Licensed Service, any interconnection service or terminal equipment. Undue discrimination may also occur if the Licensee charges customers the same price where the costs of supplying them are substantially different.

## ARTICLE 4 - FEES AND OTHER CHARGES

### 4.1 PAYMENT OF FEES

4.1.1 The Licensee shall pay the following initial fees to the Authority prior to the Effective Date:

- (a) Initial License Fees (ILF), US\$10,000/- or its equivalent in Pakistan Rupees for its Licensed Region identified in Appendix-1 hereto, and
- (b) Initial Spectrum Fees (ISF)/ Annual Spectrum Regulatory Fee (ASRF), (if any, determined by the competent Authority).

4.1.2 The Licensee shall pay the following annual regulatory fees to the Authority:

- (a) Annual License Fee (ALF) to the Authority in an amount equivalent to 0.5% of the Licensee's Annual Gross Revenue from Licensed Services for the relevant Financial Year, minus inter-operator costs and related PTA/FAB mandated payments. In the case of PTA/FAB mandated payments including contributions, this deduction will be allowed only if these amounts have actually been paid and not on an accrual basis. However, payment of Initial License Fee, Initial Spectrum Fee, any amount paid/payable to foreign carriers, collection charges, Late Payment Additional Fee, penalties and other expenses imposed by the Authority, if any, shall not be deducted from the Gross Revenue.
- (b) The amount of the annual fees referred to in Appendix 2 annexed hereto, and
- (c) The Licensee shall pay the amount for all the number(s) allocated to it, in accordance with Numbering Plan Regulations issued by the Authority from time to time.

4.1.3 The Licensee shall pay an Annual Research and Development (R&D) Fund Contribution, an amount equivalent to 0.5% of the Licensee's Annual Gross Revenue from Licensed Services for the relevant Financial Year, minus inter-operator costs and related PTA/FAB mandated payments. In the case of PTA/FAB mandated payments including contributions, this deduction will be allowed only if these amounts have actually been paid and not on an accrual basis. However, payment of Initial License Fee, Initial Spectrum Fee, any amount paid/payable to foreign carriers, collection charges, Late Payment Additional Fee, penalties and other expenses imposed by the Authority, if any, shall not be deducted from the Gross Revenue.

4.1.4 R&D Fund Contribution shall be deposited in designated Public Accounts.

4.1.5 The Licensee shall pay a Universal Service Fund (USF) Contribution, an amount equivalent to 1.5% of the Licensee's Annual Gross Revenue from Licensed Services for the relevant Financial Year, minus inter-operator costs and related PTA/FAB mandated payments. In the case of PTA/FAB mandated payments including contributions, this deduction will be allowed only if these amounts have actually been paid and not on an accrual basis. However, payment of Initial License Fee, Initial Spectrum Fee, any amount paid/payable to foreign carriers, collection charges, Late Payment Additional Fee,

penalties and other expenses imposed by the Authority, if any, shall not be deducted from the Gross Revenue.

- 4.1.6 The Licensee shall be eligible to participate for USF Projects in its licensed region to apply for subsidy from the Universal Service Fund provided being a USF Fund contributor in its licensed region in order to cover rural, unserved and underserved areas as per the Rules, the Policies or the Regulations, to be notified from time to time, for utilization of Universal Service Fund.
- 4.1.7 USF Contribution shall be deposited in designated Pubic Account.
- 4.1.8 In addition to the fees payable hereunder, the Licensee shall pay to the Authority all fees required to be paid under the Act, Rules and Regulations.

## **4.2 GENERAL CONDITIONS CONCERNING FEES AND CONTRIBUTIONS**

- 4.2.1 The Licensee shall pay all annual fees to the Authority within 120 days of the end of the Financial Year to which such fees relate.
- 4.2.2 In addition to any other remedies available to the Authority, late payment of any amounts due under this License, including the Initial License Fee, Initial Spectrum Fee, Annual Spectrum Regulatory Fee and all other regulatory fees, contributions and charges under clause 4.1 shall incur an additional fee calculated at the rate of 2% per month on the outstanding amount, for each month or part thereof from the due date until paid.
- 4.2.3 Further, the outstanding amount shall be recovered as arrears of land revenue in addition to any other penalties or remedies to which the Licensee may be liable under the Act, Rules, Regulations and terms and conditions of this License.
- 4.2.4 The Licensee shall annually submit to the Authority its annual audited financial statements, auditors' certificate, other information in the form and manner as may be required, to the satisfaction of Authority, in support of its calculations of all regulatory fees, contributions and charges payable pursuant to Article 4 of this License, within 120 days of the end of financial year to which such fee relate.
- 4.2.5 If the Licensee disputes any outstanding amounts due under this License as decided by the Authority, the Licensee shall either deposit 50% of the disputed amount in an escrow account opened by the Authority and on terms specified by the Authority or furnish unconditional and continuing bank guarantee, to the satisfaction of the Authority, in favor of the Authority equal to 50% of the disputed amount. Upon resolution of dispute, the amount deposited in escrow account shall accordingly be paid to the Authority or refunded to the Licensee along with bank profit accrued thereon during the period amount deposited in escrow account. In case of bank guarantee, the same shall accordingly be encashed or returned to the Licensee.

Explanation: Late Payment Additional Fee (LPAF) shall not apply to the extent of amount deposited in escrow account, however, in case of submission of Bank Guarantee, LPAF shall continue to apply on total outstanding dues from due date till date of payment.

- 4.2.6 This License shall be suspended / terminated in accordance with the law or Rules or Regulations, in case the Licensee fails to make the payment of any outstanding dues i.e. annual fees, contributions, charges, late payment additional fee, penalties etc. on due dates.
- 4.2.7 Where the Licensee is required, under the License, 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.



## ARTICLE 5 - RADIO FREQUENCY SPECTRUM

### 5.1 RADIO FREQUENCY SPECTRUM ASSIGNED TO THE LICENSEE

- 5.1.1 From the Effective Date, the radio frequency spectrum described in Appendix 2 is assigned to the Licensee. In relation to the radio frequency spectrum so assigned to the Licensee, the Licensee shall comply with the terms and conditions of this License, and any technical parameters, terms and conditions appearing in Appendix 2.
- 5.1.2 Notwithstanding section 1.3, the assignment of radio frequency spectrum to the Licensee shall terminate upon the expiry of a period defined by the policy of the Federal Government, unless earlier terminated pursuant to this License or pursuant to the requirements of law. Upon termination of the assignment, neither the Board nor the Authority shall be under an obligation for any extension.
- 5.1.3 Upon the expiry of the period referred in section 5.1.2 above, the assignment of radio frequency spectrum to the Licensee may be extended for a period of time, and on such terms and conditions, as are consistent with the policy of the Federal Government at that time. However, neither the Board nor the Authority shall be under an obligation to effect such an extension.
- 5.1.4 Upon termination of the assignment to the Licensee of radio frequency spectrum, the Licensee shall cease using any apparatus or device that emits or receives any radio communication in the band of that radio frequency spectrum, and shall cause its customers to discontinue using any such apparatus or device.

### 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:
- (a) The Licensee shall report to the Board such information as the Board may require concerning the assigned radio frequency spectrum and its use,
  - (b) The Licensee shall only use the assigned radio frequency spectrum in its own operations, and it shall not lease, sub-License, allocate, assign by way of creating charge, mortgage or otherwise make available the use of the assigned radio frequency spectrum to another Operator any other person including financial institution, except as may be permitted by the Authority,
  - (c) If, in the opinion of the Board, the Licensee is not efficiently using the full capacity of the assigned radio frequency spectrum, the Licensee shall, upon request of the Board, share use of assigned radio frequency spectrum with one or more other Operators designated by the Board on terms and conditions as the Board may designate. Where the assignment of radio frequency spectrum to the Licensee has occurred pursuant to an auction in which the Licensee paid in respect of initial fees hereunder and referred to in Appendix 2, more than the minimum reserved amount for the right to the assignment of the radio frequency spectrum, the Licensee will not be required to comply with the foregoing provision of this clause (c) during an initial term of 10 (ten) years

after the assignment of the radio frequency spectrum to Licensee,

- (d) The Board shall have the right, exercisable at any time, to terminate the assignment to the Licensee of the radio frequency spectrum described in Appendix 2 if the Board determines that the Licensee is not complying with the requirements applicable to such radio frequency spectrum and which are set forth in section 1.2 and 1.3 of Appendix 2. Upon such termination by the Board, any rights granted to the Licensee hereunder to use the radio frequency spectrum shall also terminate,
- (e) The Licensee shall use assigned radio frequency spectrum in compliance with all national, regional, intergovernmental and international arrangements in effect from time to time, and all directions from the Board, that are designed or intended to reduce radio interference among service providers,
- (f) At all times, the Licensee shall implement all commercially reasonable measures to optimize the efficiency and effectiveness of its use of the radio frequency spectrum assigned to it pursuant to approval by the Board and the Authority.

### **5.3 REASSIGNMENT OF FREQUENCIES**

5.3.1 The Board may, in order to comply with international radio frequency spectrum co-ordination requirements, ITU assignments or reassignments, in order to implement a Policy Directive of the Federal Government under section 8 of the Act, or for requirements of national security, or generally in the course of regulating the radio frequency spectrum in the best interests of Pakistan, reassign radio frequency spectrum assigned to the Licensee or require the Licensee to surrender the assignment 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 Board 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 section 5.3.1, the Board 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 Board re-assigns the radio frequency spectrum to another Operator within three years after the date established by the Board 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 Board shall require the other Operator to compensate the Licensee for:

- (a) Its reasonable costs incurred as a result of such change or surrender, as determined by the Board, and
- (b) For radio frequency spectrum referred to in Appendix 2, the fraction of the initial fees referred to in Appendix 2 in respect of the re-assigned radio frequency spectrum, where the fraction is calculated by the following formula:  $(20 - TT) \div 20$ , where TT is the period of time, expressed in years, between the radio frequency assignment date and the date established by the Authority as the last date on which the Licensee may use any apparatus or device that emits or

receives any radio communication in the band of the radio frequency spectrum.

- 5.3.3 At such time as the Licensee changes or surrenders radio frequency spectrum, or is required by the Board to do so, pursuant to this section 5.3, the assignment by the Board of the radio frequency spectrum to the Licensee shall terminate. Upon such termination by the Board, any rights granted to the Licensee hereunder to use the radio frequency spectrum shall also terminate.

#### **5.4 RADIO APPARATUS**

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

## ARTICLE 6 - GENERAL CONDITIONS

### 6.1 OPERATION OF LICENSED SERVICES

- 6.1.1 The Licensee shall ensure that its Licensed System and the Licensed Services do not cause any damage to, or interference with, any Licensed System or Licensed Services of any other Operator.
- 6.1.2 The Licensee shall conduct its operations and shall establish and maintain its Licensed System in a manner so that it is not a safety hazard and is not in contravention of any law, rule or regulation.
- 6.1.3 Except in the ordinary course of business and in cases where the asset disposed of is unnecessary or is replaced by another asset, providing equivalent or better functionality, the Licensee shall not, without the approval of the Authority, sell, transfer or dispose of any asset employed in running part of the Licensed System by which the Licensed Service is provided or purport or threaten to do so.
- 6.1.4 Licensee shall be under an obligation to comply with all requirements for establishment, maintenance and operation of Licensed Systems and provision of Licensed Services as specified in ITU Radio Regulations.
- 6.1.5 Licensee shall be under an obligation to adhere to the Satellite Policy Framework as and when issued by the Federal Government, in letter and spirit, and fulfill the specific conditions imposed on it under any such policy.
- 6.1.6 The Licensee shall maintain Terminal Earth Station(s) with appropriate functionality and adequate capacity in accordance with the applicable policy of the Federal Government, time being in force, and considering the fulfillment of technical and National Security requirements for entire term of this License.
- 6.1.7 Licensee shall seek prior approval of the Authority to establish, maintain and operate Terminal Earth Station(s) within Pakistan, prior to its installation. Licensee shall be under an obligation to share, including but not limited to, all relevant technical details for the earth station(s) as and when required by the Authority. The Authority shall grant or withhold its approval or reject in accordance with applicable policy time being in force and considering the fulfillment of National Security requirements.
- 6.1.8 For ensuring operational continuity of its Licensed Services, the Licensee shall take necessary steps including those conveyed by the Authority from time to time.
- 6.1.9 For the purpose of monitoring and enforcing the operation of network / telecommunication, the licensee shall provide all information and extend access to the network / telecommunication to the Authority or the authorized officer(s) of the Authority as and when required.

## **6.2 DISCONTINUATION OF SERVICES**

- 6.2.1 The Licensee shall not discontinue providing the Licensed Services or a category of Licensed Services 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. The Authority will not give its written approval to such discontinuation if the Licensee is in arrears of any fees and contributions.

## **6.3 MONITORING OF LICENSED SERVICE PROVISION**

- 6.3.1 The Licensee shall establish, maintain, upgrade , provide and extend, at its own cost, state-of-the-art system(s) (equipment hardware, firmware, software) at premises designated by the Authority and ensure its upgrading, updating, security and safety in best possible order to measure and record traffic, billing, call detail records, IP data records, voice over IP, grey traffic analysis and mitigation, network threat detection, malware analysis, critical information protection, web analysis, web content filtering, IP consumer trend and OTT applications visibility and quality of service in a manner specified by the Authority. The Licensee shall provide the Authority with access to such system, and the information generated by such system/ equipment, and shall extend full co-operation and assistance to the Authority in connection with the Authority's exercise of these service provision and quality monitoring. The Licensee shall also be obliged to appear before the Authority, when called upon to do so, to answer any query on these matters put by the Authority.
- 6.3.2 The Authority shall have the full right to visit, inspect any premises or facility including hardware and software of the Licensee.

## **6.4 PROVISION OF INFORMATION**

- 6.4.1 The Licensee shall furnish to the Authority such information as the Authority may request regarding the Licensee's network plan, network and terminal standards, links utilized, network audits and penetration tests from an Accredited technical auditor(s) financial information, costs and accounts or any such other information as the Authority may from time to time require in connection with its functions, powers and responsibilities.
- 6.4.2 The Licensee shall maintain such systems of financial records and books of accounts 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 Statement of Financial Position, Statement of Profit or Loss and

Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows along with related notes 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 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.
- 6.4.5 The Licensee shall provide the Authority with any information, documents, accounts, reports, estimates and returns it may require to enable it to carry out its functions.
- 6.4.6 The Authority may also require the Licensee to establish arrangements for separate audited accounting for certain activities in order to permit effective monitoring of the Conditions of this License (e.g. with regard to cross subsidies and predatory pricing).

## **6.5 MONITORING OF QUALITY OF SERVICE**

- 6.5.1 The Licensee shall at all times meet or exceed the quality of service standards described in Appendix 3 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 monthly 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 Licensee's 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 or Telecommunications Equipment, wherever situated, by an authorized 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 any other 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.
- 6.7.3 The Licensee shall not transfer user information and CDRs/IPDRs (except pertaining to foreign subscribers on operator's network while roaming) to any person/place outside Pakistan including AJ&K and GB.

- 6.7.4 No local/long distance traffic (mobile, fixed line and satellite) shall be hauled outside Pakistan.
- 6.7.5 No remote access shall be provided to any unauthorized person/place outside Pakistan for any maintenance/repairs/databases/facility.
- 6.7.6 Microwave terminals shall be installed in such a way that signal strength of the signal fades away and no communication takes place across the International Borders.
- 6.7.7 No ciphering, equipment or software, shall be used by the service provider or user without obtaining necessary 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 establish, maintain, upgrade, provide and extend at its own cost state-of-the-art equipment at premises designated by the Authority in consultation with the Designated Agency in order to monitor the communication for the purpose of National Security and shall ensure its upgrading, security and safety. The System must be compliant with ETSI Lawful Interception (LI) and other related security standards of communications security and must be ready to be extended as desired by the Authority.
- 6.7.11 The Lawful Interception (LI) System shall be available prior to launch of commercial operation and support all services provided by the Licensee.
- 6.7.12 The Licensee shall block website(s), or /web content(s) (on best effort basis) or other services as and when directed by the Authority.

## **6.8 PROVISION OF CALL RECORDS**

- 6.8.1 The Licensee shall maintain call records including called and calling numbers, date, duration, time and location details, with regard to the communications made on the Licensed System for a period of at least one year for scrutiny by or as directed by the Authority or required by security agencies under law.
- 6.8.2 The licensee shall record/store data session logs/info along with IP address for one year for scrutiny by or as directed by the Authority or required by security agencies under law.

## **6.9 NETWORK STANDARDS AND NETWORK SECURITY**

- 6.9.1 The Licensee shall use any type of network equipment, including packet switches that meet the relevant ITU or other Telecommunication Standards recognized by the Authority.
- 6.9.2 The Licensee shall ensure that its network is at all times inter connectable and inter operable with the networks of other Licensed 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 interconnectivity and interoperability with the then-existing interconnected networks of other Licensed Operators.

6.9.3 The Licensee shall ensure that Licensed Systems and Licensed Services at all times fulfils the traits of Confidentiality, Integrity and Availability, as per standards recommended by ITU-T and NIST.

6.9.4 The Licensee shall ensure deployment of state-of-the-art equipment/solutions, in an effort of adopting defensive measures, for securing and protecting its Licensed Systems, network data and Licensed Services from accidental and malicious cyber risks/ threats.

## **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 to its Licensed System unless the Terminal Equipment is type approved, or otherwise permitted by the Authority. 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.

6.10.2 Licensee shall provide an automated mechanism for monitoring of any Terminal Equipment, including but not limited to Terminal Earth Station(s), connected to its Licensed System.

## **6.11 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 commencement certificate evidencing that the Authority is satisfied that the Licensee has established its Licensed System, and is able to provide the Licensed Services including Mandatory Services, in accordance with the description in the Licensee's application for this License previously submitted to the Authority and at a level of quality and reliability that is consistent with international industry best practices.

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 its Licensed System and the Licensed Services in connection with the issuance by the Authority of a commencement certificate.



## **ARTICLE 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 individual customers, for approval by the Authority, before commencement of its Licensed Services. The Licensee shall file the standard contract, and amendments thereto from time to time, with the Authority for its approval. The Authority shall approve the standard contract if it contains the terms and conditions described in section 7.2.1, and it contains terms and conditions that are not unduly burdensome.
- 7.1.2 The standard contract, as approved by the Authority, shall apply to all individual customers that obtain Basic Public Telephone Access Service from the Licensee.
- 7.1.3 Prior to providing Basic Public Telephone Access Service to individual customers, the Licensee shall enter into a contract with such individual customers in accordance with the standard form contract approved by the Authority.
- 7.1.4 Upon application by the Licensee, the Authority may waive compliance by the Licensee with the provisions of section 7.1.3 herein subject to such terms and conditions as the Authority may impose.
- 7.1.5 The Licensee may enter into agreements with corporate 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:
- (a) Deposits and alternative methods of providing security for payment where reasonably required, provided that in no circumstances may such deposits or security exceed the charges reasonably anticipated to be incurred by the customer within a three (3) month period,
  - (b) Pricing or mechanisms by which prices are determined,
  - (c) Privacy of communications,
  - (d) Confidentiality of customer information,
  - (e) Refunds or other rebates for service problems or over-billing,
  - (f) Payment terms, including any applicable interest or administration charges,
  - (g) Minimum contract period, and
  - (h) Customer and Licensee rights of termination.

### **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.
- 7.3.2 The Licensee shall make all reasonable efforts to resolve customer 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 provided 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:
- (a) 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
  - (b) The Licensee retains in its records information sufficient:
    - (i). To identify for customers the basis of the amount charged for use of its Telecommunication Services; and
    - (ii). 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 in this section 7.4.
- 7.4.3 The Licensee shall maintain billing records for a period of at least three years.

### **7.5 CODE OF COMMERCIAL PRACTICE**

- 7.5.1 The Licensee shall publish and submit to the Authority within six months of the Effective Date, a code of commercial practice for approval by the Authority. Once approved by the Authority, the code of commercial practice shall be binding on the Licensee. The code of practice shall include, at a minimum, provisions covering the following issues:
- (a) A commitment to take steps to remedy service interruptions as soon as reasonably possible and to provide reasonable credits to customers for lengthy outages,
  - (b) Protection of the privacy of information transmitted over its Licensed System,

- (c) Maintenance by Licensee of the confidentiality of customer information,
- (d) Procedures and timing for resolving complaints between Licensee and customers,
- (e) Availability to customers of information concerning their accounts with the Licensee, and
- (f) 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 its 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 including those, Authority may convey from time to time, to safeguard its Licensed System from unauthorized interception of communication carried on the Telecommunication System.
- 7.6.3 The Licensee shall ensure that data retained/stored by Licensee pertaining to its users including real time voice/data communication and any such data/information which is critical for the provision/security of Licensed Services and Licensed Systems are protected from unauthorized access, disclosure, copying, modification, loss and destruction.

## **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:
  - (a) For the process of collection of debts owed to the Licensee,
  - (b) By another Operator in relation to the provision of services to the customer, and provided that the information is disclosed in confidence to that Operator,
  - (c) By the Licensee's auditors for the purpose of auditing the Licensee's accounts, or
  - (d) For the prevention or detection of crime or the apprehension or prosecution of offenders or as may otherwise be authorized by or under any law of Pakistan.
- 7.7.2 A Licensee shall be permitted to disclose confidential 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, FRAUDULENT OR UNLAWFUL COMMUNICATION**

7.8.1 The Licensee shall take all reasonable steps to track and locate the source of harassing, offensive, unsolicited, fraudulent or unlawful communication. For that purpose:

- (a) Any customer of the Licensee may request that the Authority or other duly authorized authority in Pakistan authorize the Licensee to monitor calls to the customer's telephone.
- (b) The Authority or other duly authorized authority in Pakistan may direct a Licensee to monitor calls to and from the said customer's telephone.
- (c) The Licensee shall provide to the Authority the information resulting from the monitoring of the call to and from the customer's telephone, including the telephone numbers that are the source of harassing, offensive, unsolicited, fraudulent or unlawful communication and the dates of occurrence of such communication and their frequency.
- (d) The Authority may undertake any appropriate action to protect the public from harassing, offensive, unsolicited, fraudulent or unlawful communication and, if necessary, refer the matter to the competent authorities for further action.
- (e) The Licensee shall suspend or terminate service to any customer that is the source of harassing, offensive, unsolicited, fraudulent or unlawful communication.

## **ARTICLE 8 – TARIFFS**

### **8.1 NO REGULATION OF TARIFFS**

- 8.1.1 Except as otherwise provided in this License or as required by law, the Licensee is free to set tariffs for the Licensed Services as it may deem fit.
- 8.1.2 If the Authority determines that the Licensee's tariffs 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 and determinations relating to the Licensee's tariffs, terms and conditions for those Licensed Services.

### **8.2 TARIFF 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 the Licensee's tariffs, terms and conditions, for those Licensed Services where the Licensee possesses SMP, and any Licensed Services incidental thereto as determined by the Authority. The method of regulation shall be determined by the Authority in the Tariff Rules/ Regulations, subject to compliance with any applicable provisions of the Rules and Regulations, and may include a requirement for prior Authority approval of any tariff, term or condition, or the maximum or minimum tariff, or both, for the Licensed Services.
- 8.2.2 The Licensee shall notify to the Authority 30 days in advance of any intended increase in the tariff under clause 8.2.1. The Authority may, at any time ask for further information to satisfy itself prior to according an approval. The Authority may however, disapprove proposed increase by the Licensee. Under no circumstances the Licensee shall increase tariff which are subject to the Tariff Rules and Regulations, without the prior approval of the Authority.
- 8.2.3 Non-SMP operators shall be required to adhere maximum or minimum price, or both, for the Licensed Services subject to determination of the same by the Authority.

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

- 8.3.1 The Licensee shall comply with all requirements regarding publication of tariffs, terms and conditions, notifications and display of information, as established by the Authority from time to time in accordance with the Rules and Regulations.

## ARTICLE 9 - RELATIONS WITH OTHER OPERATORS

### 9.1 INTERCONNECTION

- 9.1.1 Interconnection between the Licensed System of the Licensee and the Licensed Telecommunication Systems of other Operators is governed by the Interconnection Rules and Regulations, Interconnection Guidelines and all relevant determinations, order and directives issued by the Authority from time to time.
- 9.1.2 The Licensed System of the Licensee is deemed to be a Connectable System for the purposes of the Interconnection Rules and Regulations.
- 9.1.3 The Licensee shall, within 15 business days of a written request by another licensee, enter into negotiation, in good faith, for an agreement to connect and keep connected the Licensee's Licensed System to the Telecommunications Network run by the requesting Operator at specified points of interconnection.
- 9.1.4 The Licensee may not be required to enter into an agreement as required above under sub clause 9.1.3 where to do so would, in its reasonable opinion and with the consent of the Authority:
- (a) Cause or would be likely to cause danger, damage or injury to any person or to any property,
  - (b) Cause damage or otherwise interfere with the running of the Licensee's Licensed System or the provision of its Licensed Services over its Licensed System, or
  - (c) Not be technically or economically feasible.
- 9.1.5 The Licensee shall provide the evidence of cost for Interconnection Termination rates within 12 months of Commencement of the services. The rates so provided shall be certified by a practicing Chartered Accountant or Cost and Management Accountant firm of Pakistan.
- 9.1.6 The Licensee shall not unfairly discriminate the terms of interconnection among different operators. The Licensee shall offer same interconnection terms to other Operators as compared to its own similar operations or affiliates.
- 9.1.7 Interconnect capacities or their pricing shall not be used in a manner to impede other Operators' access to the customer of the Licensee.
- 9.1.8 The Licensee shall comply with the Interconnection Rules and Regulations, Interconnection Guidelines and all relevant determinations, order and directives issued by the Authority from time to time.
- 9.1.9 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 9 are met. The Authority shall ensure that any information

provided to it in accordance with this Condition 9 which is expressed to be confidential is maintained as such.

- 9.1.10 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 endeavors to determine the matter within three (3) months of the date of referral. The rates so determined will be binding on both the parties.

## ARTICLE 10 - INFRACTIONS AND SANCTIONS

### 10.1 SANCTIONS FOR VIOLATIONS OF THE LICENSE

10.1.1 In addition to the sanctions available under the Act, if the Authority determines that the Licensee has violated a provision of this License or the Act, Rules, Policies or Regulations, the Authority may by order impose one or more of the following sanctions, which the Licensee shall promptly comply with:

- (a) The Authority may issue an order to the Licensee requiring the Licensee to cease any continuation of the violation,
- (b) The Authority may require the Licensee to remedy the effects of the violation, in a manner determined by the Authority,
- (c) The Licensee shall issue a public apology for its violation, in wording acceptable to the Authority, that the Licensee arranges to have prominently published, at its cost, in a newspaper of general circulation in the Licensed Regions for two (2) consecutive days,
- (d) The Authority may suspend one or more of the rights granted to Licensee under the License, for so long as the Authority considers appropriate in the circumstances.



## **ARTICLE 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:

- (a) The term of the License expires without renewal,
- (b) The Licensee agrees to the termination of this License, or
- (c) The License is suspended or terminated in accordance with the Act, Rules or Regulations, or the provisions of this License,
- (d) The license terminated / cancelled due to non-completion of roll out obligation as provided in Paragraph 3.2.2 of this License.

### **11.2 AMENDMENT**

11.2.1 Subject to the provisions of this License, the Authority and the Licensee may, at any time by mutual consent and through written agreement or pursuant to and in accordance with the provisions of this License, the Act, the Rules, the Policies and the Regulations, amend this License.

## **ARTICLE 12 – GENERAL**

### **12.1 NO LIABILITY BY THE AUTHORITY**

- 12.1.1 Without prejudice to the rights of the Licensee 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 good faith in exercise of its powers subject to section 33 of the Act.

### **12.2 FORCE MAJEURE**

- 12.2.1 Licensee shall have no liability for any failure or delay in complying with any provisions of this License if the failure or delay is caused by circumstances that are beyond the reasonable control of the Licensee, such as war, invasion, military operations, earthquakes, volcanoes, riots, and any like event of force majeure, provided that such exemption for liability is limited to a period equivalent to the duration of the force majeure and the Licensee has taken all appropriate precautions and reasonable measures to fulfil its obligation and that it shall within 21 days of its first occurrence notify to the Authority the same and cause of such inability and its efforts to remove such cause and remedy its consequences.

### **12.3 COMMUNICATION WITH THE LICENSEE**

- 12.3.1 The Licensee shall maintain on file with the Authority a current address in Pakistan 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.

### **12.4 ASSIGNMENT OF RIGHTS**

- 12.4.1 This 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 any person, without the prior written approval of the Authority.
- 12.4.2 The Licensee shall comply with the Rules, Policies and the Regulations, as regards transfer of this License or ownership of the Licensee.

### **12.5 OBLIGATION UNDER POLICIES ISSUED BY FEDERAL GOVERNMENT**

- 12.5.1 The Licensee shall be obliged to fulfill the specific obligations imposed on it under any policy directive which the Federal Government may issue from time to time under section 8 of the Act.

### **12.6 DISPUTE RESOLUTION BETWEEN LICENSEE AND A LICENSED OPERATOR**

- 12.6.1. The Licensee shall make all reasonable efforts to resolve Licensed Telecommunication Service providers' complaints or disputes without delay and without recourse to the Authority.

- 12.6.2. However, in case of any unsettled dispute the matter shall be referred to the Authority within 30 days of such a dispute. The licensee shall not discontinue or terminate provision of Licensed Services to Licensed Telecommunication Service providers with whom dispute has arisen, till the decision or approval of the Authority.
- 12.6.3. If a complaint is filed with the Authority in connection with any dispute between the Licensee and other Licensed Telecommunication Service providers 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, both the parties shall abide by any resulting decision of the Authority.

## ARTICLE 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 Words denoting persons shall include body corporate and unincorporated associations of persons and vice versa.
- 13.1.3 The headings in this License shall not affect its interpretation.
- 13.1.4 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.

### 13.2 DEFINITIONS

- 13.2.1 Unless the context otherwise requires, capitalized words and expressions in this License that are not otherwise defined in this License, shall be defined in the same manner as these words and expressions are defined in the Act and the Rules.
- 13.2.2 Unless the context otherwise requires, the following terms used in this License shall have the meanings indicated below:

**"Act"** means The Pakistan Telecommunication (Re-organization) Act, 1996 including any amendment or modification of the same, or any re-enactment of the same as a law in Pakistan.

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

**"Availability"** means ensuring timely and reliable access to and use of information.

**"Basic Public Telephone Access Service"** means a Local Loop Telecommunication Service providing access to the Public Switched Network 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 or FAB"** means the Frequency Allocation Board established by the Federal Government in accordance with section 43 of the Act.

**"Broadband"** means Electronic information access at high speeds, which have been defined by the Authority from time to time.

**"Confidentiality"** means preserving authorized restrictions on information access and disclosure, including means for protecting personal privacy and proprietary information.

**"Connectable System"** means a Licensed Telecommunications System (whether or not a public switched network) the license for which authorizes its connection to the Licensed System.

**“Critical Data”** means data related to the Licensee, its users/customers which is retained by the Licensee and such information which is critical for the operations, confidentiality and security of the Licensed Systems including voice/data communication of its users/customers being handled by the Licensee.

**“Critical Infrastructure”** means telecommunication equipment/assets whether physical or virtual, which are vital for the provision of the Licensed Services and for storing, processing and transferring Critical Data.

**“Earth Station”** means a station located either on the Earth’s surface or within the major portion of the earth’s atmosphere and intended for communication with one or more space stations; or with one or more stations of the same kind by means of one or more reflecting satellites or other objects in space. Any earth station used for access is termed as a Terminal Earth Station.

**"Effective Date"** means the date on which this License is granted by the Authority.

**"Federal Government"** means the Federal Government of Pakistan.

**"Financial Year"** means the period of twelve (12) months in respect of which any financial statement of the Licensee is made up and laid before in general meeting.

**"Free Phone Service"** means the service of routing a telephone call with a non-geographic number, with no charge to the calling party.

**“Gateway Earth Station”** is used for an earth station that acts as a gateway to a public network.

**"Gross Revenue"** means the turnover or gross income exclusive of sales tax or any other tax levied by the Government from time to time which is charged and collected by the Licensee at the time of sale and deposited with the tax authorities and trade discount shown on invoices or bills, derived from sale of goods or from rendering or supplying services or benefits or from execution of contracts for Licensed Services or business;

**"GMPCS Service" or "Global Mobile Personal Communications Service"** means the provision of Telecommunication services directly to end users from a constellation of satellites and through the use of mobile Terminal Equipment.

**“Integrity”** means guarding against improper information modification or destruction, and includes ensuring information non-repudiation and authenticity.

**“Interconnection Agreement”** means an agreement between the Licensee and another operator entered into in accordance with Article 9.

**"Interconnection Rules"** means the Rules relating to interconnection.

**“Internet Services”** means services to provide and manage public Internet and Email content while taking care of national security requirements.

**"ITU"** means the International Telecommunication Union.

**"License"** means this License, the terms and conditions applicable thereto, and any amendments/modifications thereto.

**"Licensed Region"** means the Telecom Region described in Appendix 1 to this License.

**"Licensed Services"** means all Mandatory Services and other Telecommunication Services not prohibited under this License, for which a prior approval of the Authority is obtained.

**"Licensed System"** means the Telecommunication Systems for which the Licensee is granted the rights in this License.

**"LI"** means Lawful Interception.

**"Local Calling Area"** means the geographic area in which a call is considered to be a local call under PTCL's published tariffs in effect from time to time, or such other definition as the Authority may specify. As of the Effective Date, PTCL's tariffs specify that, in general, a local call is a call from a customer in the area of a PTCL local exchange to a customer in the area of the same PTCL local exchange, or to a customer in the area of a second PTCL local exchange, where the second exchange is not more than 25 km distant from the first PTCL exchange. In Karachi and Lahore the distance is 35 km, and the reference to "local exchange" should be read to say transit exchange.

**"Local Loop"** means a communication channel, provided with or without a pair of wire(s) or cable(s), from a switching center to a customer's telephone or other Terminal Equipment.

**"Limited Mobility Communication Service"** means a wireless based telecommunication service that satisfies all of the following conditions (a) it follows the numbering plan established by the Authority for the Public Fixed Switched Network, (b) in which customers cannot authenticate or use their Terminal Equipment with a Telecommunication System of another licensee, (c) in which a Customer's Terminal Equipment may obtain access to the Service using a single pre-defined cell, having maximum radius up to Local Call Charging Area, and (d) in which no inter-cell hand over and roaming with other networks is allowed.

**"Long Distance"** means end to end communication between points (a) that are located in different Telecom Regions, (b) that are not in the same Local Calling Area, or (c) between points that are located more than 25 kilometers apart, or such other definition as the Authority may, by Regulation, specify.

**"Long Distance and International"** means Long Distance and end to end communication between points that are located in Pakistan with points that are located outside of Pakistan.

**"Mandatory Services"** means the Telecommunication Services that the Licensee must provide under this License, and which are described in section 1.2.1 herein.

**"Mobile Communication Service"** means a wireless-based Telecommunication Service where the Terminal Equipment may be connected to the Telecommunication System by wireless means and used while in motion.

**"Network Connection Point"** is a location at which other Operators can send to or receive from the Licensee voice or data traffic originated by or destined for the Licensee's customers.

**"National Destination Code"** identifies geographic area within a country or identifies a subscriber within a particular geographic area in a country.

**"Network Termination Point"** means any point of termination on a Telecommunication

System at which Terminal Equipment may be connected.

**“Next Generation Network (NGN)”** means a telecommunications network based on packet switching (as opposed to the traditional circuit switching). In an NGN, end user services, including telephony services, are delivered over the top of the packet switched network from service nodes.

**“Next Generation Access (NGA)”** means deployment of fiber cables in the local loop to replace copper cables, allowing the delivery of higher speed broadband service associated with an NGN.

**“NIST”** means National Institute of Standards and Technology.

**"Number Portability"** means a facility provided by any licensed provider of Telephone Services to another such Licensee which enables any user to whom a telephone number has been assigned to continue to be provided with Services using the same number irrespective of the identity of the service provider providing the service.

**"Operator"** means any person authorized by a License issued by the Authority to provide Telecommunication Services of any kind or to establish, maintain and operate a Telecommunication System.

**"Premium Rate Service"** means the service of routing a telephone call with a non-geographic number with a premium rate charged to the calling party, or such other or further definition as the Authority may, by Regulation, specify.

**"Private Circuit"** means a Telecommunication Service that provides for transmission capacity for dedicated circuits between specific locations and does not enable the user to control the switching functions.

**"PTCL"** means the Pakistan Telecommunication Company Limited or any successor thereto.

**“Public Data Services”** means a service established and operated for the specific purpose of providing data communication service to the public over a communication network.

**"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.

**"Region"** means a telecommunication region, as determined by the Authority.

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

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

**"SMP"** means significant market power as that term is defined in the Rules.

**“Tariff”** means the price, rates, charges, and related terms and conditions for provision of Telecommunication Services.

**"Telecommunication System"** means any electrical, electro-magnetic, electronic, optical or optio-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 rearrangement, 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;

**"Telecommunication Service"** means a service consisting in the emission, conveyance, switching or reception of any intelligence within, or into, or from, Pakistan by any electrical, electromagnetic, electronic, optical or optio-electronic system, whether or not the intelligence is subjected to rearrangement, computation or any other process in the course of the service;

**"VSAT"** means Very Small Aperture Terminal.

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

**"USO"** means Universal Service Obligations as defined in Rules / Regulations issued from time to time.



**APPENDIX 1- LICENSED REGION**

## APPENDIX 2 - RADIO FREQUENCY SPECTRUM ASSIGNMENT, TERMS AND CONDITIONS

### 1.1 RADIO FREQUENCY SPECTRUM ASSIGNED TO LICENSEE

1.1.1 Subject to the terms and conditions of this License, the Licensee is assigned the following radio frequency spectrum for use in providing the Licensed Services in the Licensed Region(s):

***[Not Applicable]***

### 1.2 RADIO FREQUENCY SPECTRUM PERFORMANCE REQUIREMENTS

1.2.1 Prior to 18 (eighteen) months from the Effective Date, and at all times thereafter, the Licensee shall establish, maintain and operate in each Licensed Region identified in section 1.1.1 of this Appendix 2, as part of its Telecommunication System, at least the following number of radio base stations that operate on the radio frequency spectrum assigned to Licensee and described in this Appendix 2, where the radio base stations are being used on a continuous basis to provide Mandatory Services on a commercial basis to at least the following number of customers:

(a) Number of radio base stations: *[Not Applicable]*

(b) Number of customers: *[Not Applicable]*

### 1.3 FEES RELATED TO RADIO FREQUENCY SPECTRUM

1.3.1 In addition to any other fees payable by the Licensee under the License, the Licensee shall pay an initial fee to the Authority in the amount of:

***[Not Applicable]***

1.3.2 In addition to any other fees payable by the Licensee under the License, the Licensee shall pay an annual fee to the Authority in the amount of:

***[Not Applicable]***

1.3.3 The annual fees in clause 1.3.2 above are subject to revision at any time and from time to time in accordance with the provisions of rules or regulations that may come into effect concerning fees and other charges for radio frequency spectrum.

### APPENDIX 3 - QUALITY OF SERVICE STANDARDS

#### 1.1 QUALITY OF SERVICE

- 1.1.1. The Licensee shall take reasonable and prudent measures to ensure that its Licensed System and Licensed Services are available and operate properly at all times.
- 1.1.2. Any fault in any component of its Telecommunication System or Licensed Service shall be repaired as early as possible.
- 1.1.3. 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 telecommunication services outside Pakistan):

Quality of Service Indicator	Standard
(a) Maximum incidence of line faults that result in the customer being unable to use Basic Public Telephone Access Service to make a call to another end user on the PSTN	40 per 100 main lines <i>(subscriber access lines) (measured over the course of each calendar year)</i>
(b) Maximum fault clearance time from time when fault is identified and reported to Licensee and when the fault is corrected	95% with 24 hours; 100% within 48 hours <i>(measured over the course of each calendar month)</i>
(c) Maximum call failure rate, where call failure means the failure to establish a connection using Basic Public Telephone Access Service with a called number, whether or not the called party answers	2.7% for local calls 4.1% for national long distance calls 6.5% for incoming international calls 4.1% for outgoing international calls <i>(measured over the course of each calendar month)</i>
(d) Billing errors	0.2 per 100 bills issued <i>(measured over the course of each calendar month)</i>

- 1.1.4. PTA may review the QoS standards and above-mentioned KPIs at any time. In addition, any QoS KPIs specified by Regulations shall be strictly followed by the Licensee.

#### 1.2 MONITORING OF SERVICE PROVISION AND SERVICE QUALITY

- 1.2.1. The Licensee shall furnish the Authority with quarterly reports (and any special *ad hoc* reports within a reasonable time following a request by the Authority) set out for network expansion and service quality as described in this License. To assist in its evaluation, of the Licensee's compliance with network expansion and service quality targets, the Authority or its authorized representative may inspect the installation and services of the Licensee, and the Licensee shall give the Authority or its authorized representative access to its physical facility and records. 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.

- 1.2.2. The Licensee shall provide, at its own cost, state-of-the-art system(s) (equipment hardware, firmware, software) at premises designated by the Authority and ensure its upgrading, updating, security and safety in best possible, in order to measure and record traffic, billing, call detail records, IP data records, voice over IP, grey traffic analysis and mitigation, network threat detection, malware analysis, critical information protection, web analysis, web content filtering, IP consumer trend and OTT applications visibility and quality of service in a manner specified by the Authority. The Licensee shall provide the Authority with access to such system, and the information generated by such system/equipment, and shall extend full co-operation and assistance to the Authority in connection with the Authority's exercise of these service provision and quality monitoring. The Licensee shall also be obliged to appear before the Authority, when called upon to do so, to answer any query on these matters put by the Authority.
- 1.2.3. The Authority shall have the full right to visit, inspect any premises or facility, anytime without prior notice, including hardware and software of the Licensee.