



PAKISTAN TELECOMMUNICATION AUTHORITY
HEADQUARTERS, F-5/1, ISLAMABAD

**Enforcement order under section 23 of the Pakistan Telecommunication (Re-organization)
Act 1996 against Al Rayan Contracting and Trading (Pvt.) Limited for Non-
commencement of licensed services**

No: PTA/Wireline/CVAS/Data/AlRayan/924/2016/588

Date of Show Cause Notice: 18th September, 2018
Venue of Hearing: PTA HQs, Islamabad
Date of Hearing: 26th November, 2018

Panel of Hearing:

Sajjad Latif Awan: Director General (Law & Regulations)
Amer Shahzad: Director General (Licensing)
Ubaid Tayyab: Director (Finance)
Muhammad Shafique: Director (Enforcement)

The issue:

"Non-Commencement of Licensed Services"

DECISION OF THE OFFICERS OF THE AUTHORITY

1. Precisely stated the facts of the case are that Al Rayan Contracting and Trading (Pvt.) Limited (the "Licensee") was awarded non-exclusive CVAS-License No. DIR (L)/CVAS/780/PTA/2016 dated 3rd August, 2016 (the "license") issued by the Pakistan Telecommunication Authority (the "Authority") to establish, maintain, and operate Data Class Value Added Services in Pakistan, subject to the terms and conditions contained in the license.
2. The licensee is required to comply with the provisions of prevailing regulatory laws comprising of the Pakistan Telecommunication (Re-organization) Act, 1996 (the "Act") the Pakistan Telecommunication rules, 2000, (the "Rules") the Pakistan Telecommunication Authority (Functions & Powers) Regulations, 2006 (the "Regulations"), Class Licensing and Registration Regulations, 2007 (the "CL Regulations") and the terms and conditions of the license.

3. In accordance with regulation 17(A) of CL Regulations read with regulation 19 of the Regulation and clause 22 of schedule 2 of the Rules, the Licensee was under an obligation to commence Licensed services within one year from the date of grant of License moreover, the licensee, vide PTA letters dated 3rd January, 2018 and 19th April, 2018 was required to obtain commencement certificate within which has not been yet compiled with.

4. Due to failure on the part of the licensee a Show Cause Notice (SCN) under section 23 of the Act was issued wherein the licensee was required to remedy the aforementioned contravention by obtaining Commencement Certificate within fifteen (15) days of the issuance of the said SCN and also explain in writing, within thirty 30 days of the license of the issuance of the SCN, as to why the license should not be suspended, terminated or any other enforcement order should not be passed against the licensee.

5. In response to SCN, the licensee vide letter dated 4th October, 2018 submitted reply and contend that due to unavoidable circumstances and cheap technology to provide high level of internet services specifically for the remote areas the licensee could not start licensed services. In addition, the licensee further submitted that Al-Saneem (Qatar) was a sister concern company of the licensee, however, unfortunately, our Qatari National partner in Al-Saneem Mr. Fahad Al Muzafar expired due to heart attack last year, therefore, due to legal proceedings with regard to distribution of partnership agreement, it took us long time and still pending.

6. In order to proceed further in the matter, the case was fixed for hearing on 26th November, 2018 before the Authority. Mr. Muhammad Kashif Siddique (CEO), and Mr. Atif Saeed (Project Engineer) attended the hearing before the Authority and reiterated as the same was replied in the SCN reply and requested that we are willing to commence the services if some additional time period may be provided. As requested the licensee was directed vide PTA letter dated 28th March, 2019 to commence its license services within one month from the date of hearing. However, till date no such intimation for commencement of licensed service has yet been received.

7. After hearing argument and perusal of record, it is transpired that the license was issued on 3rd August, 2016 and as per license condition read with applicable regulation, the licensee was required to obtain commencement certificate for provision of licensed services within one year from the date of grant of license. Whereas despite lapse of more than five years the licensee did not comply with the terms and conditions of the license, letter(s) addressed to licensee with respect to obtaining commencement of service certificate the licensee has failed to commence the license services. The conduct and attitude of the licensee in terms of fulfilling its obligations contained in the license has been gravely non-serious which falls within the ambit of sub-section (3) of Section 23 of the Act.

No: PTA/Wireline/CVAS/Data/AlRayan/924/2016/ 588

Dated: 15th Oct, 2021

8. **Order:**

8.1 Keeping in view the above-mentioned facts coupled with the available record, the Hearing Panel hereby decide as under:

- a) The license is hereby suspended for a period of three months effective from the date of issuance of this Order or till the licensee obtains Commencement of service Certificate from Pakistan Telecommunication Authority after fulfillment of all codal formalities, whichever is earlier.
- b) In case of non-compliance of Para 8.1 (a) above, license No. DIR (L)/CVAS/780/PTA/2016 dated 3rd August, 2016 of the licensee i.e. Al Rayan Contracting and Trading (Pvt.) Limited shall stand terminated upon expiration of three months without any further notice.
- c) All LDI, LL, Mobile and TIP licensees are directed to suspend immediately all telecommunication facilities extended to the licensee pursuant to the license till further orders of the Authority.

Sajjad Latif Awan
Director General (Law & Regulations)

Amer Shahzad
Director General (Licensing)

Ubaid Tayyab
Director (Finance)

Muhammad Shafique
Director (Enforcement)

This enforcement order is signed on 15th October, 2021 and comprises of three (03) pages only.