

STANDARD OPERATING PROCEDURE (SOP) FOR TRANSFER OF LICENSES AND CHANGE IN CONTROL AND SUBSTANTIAL OWNERSHIP INTEREST

1. Purpose and Scope of SOP

- 1.1 By virtue of section 5(2) (f) of the Pakistan Telecommunication (Re-organization) Act, 1996 (the "Act"), rule 11 of the Pakistan Telecommunication Rules, 2000 (the "Rules"), regulation 21 of the Pakistan Telecommunication Authority (Functions & Powers) Regulations, 2006 (the "Regulations"), and clause 5.3 of the Telecommunications Policy, 2015 (the "Policy") and terms and conditions of the Licenses, Pakistan Telecommunication Authority (PTA) is empowered to regulate the transfer of Licenses, which includes transfer of License, change in Control and substantial ownership. Hence Licensees are under an obligation to seek No Objection Certificate (the "NOC") from PTA before transfer of License. Moreover, in case of change in Control or Substantial ownership interest, the Licensee is under an obligation to notify PTA the proposed change(s) in the prescribed manner; the PTA shall process the notification subject to provision of complete and satisfactory details of the proposed change(s).
- 1.2 Pursuant to sub-regulation (6) of the regulation 21 of the Regulations, the Authority may prescribe its procedures/SOPs for regulating the transfer of License and control of management.
- 1.3 The purpose of devising a SOP is to streamline and specify each step of action and documentation/information submitted by the applicant for processing by PTA for the transfer of License and control of management, Change in Control or Substantial Ownership.

2. Application Procedure

- 2.1 The licensee shall submit a formal written request along with the documents as per the relevant checklist:

S. No.	Annexure	Purpose
1.	A	Change in Substantial Ownership Interest
2.	B	Change in Control
3.	C	Transfer of License to Another Company

- 2.2 All requests shall be made in writing and addressed to Director General (Licensing), PTA Headquarters, Sector F-5/1, Islamabad, as per the checklist.
- 2.3 All applications shall be made through Chief Executive Officer or a representative, duly authorized by the Licensee in accordance with the board resolution (attested copy by Company Secretary) of the Licensee.
- 2.4 In addition to the check list, the application must include complete detail of court cases, status of cases, if any, pending with PTA, modalities and way forward to protect the interest of consumer as well as network requirement including compliance with all applicable laws.
- 2.5 Application shall be submitted to PTA in original along with application fee equivalent to Initial Processing Fee of the License. Applicant licensee shall file one application; the application fee shall be deposited for each category of License separately. The application fee shall be deposited in form of Demand Draft in favor of Pakistan Telecommunication Authority (PTA).

3. Procedure for Processing the Request

- 3.1 After initial examination and subject to completion of requirements as per the applicable checklist, an acknowledgment shall be issued to the applicant licensee. Provided that in case of outstanding dues, payable by the applicant licensee or the transferee to whom the license is proposed to be transferred or in case change in control and substantial ownership, the request shall be entertained subject to clearance of outstanding dues of PTA and Public Accounts.
- 3.2 In case of any deficiency as stated at 3.1 above, application will be returned within five working days and considered as being not filed.
- 3.3 Licensing Division shall evaluate the application in consultation with the relevant divisions within twenty working days. The Licensing Division shall

inform the licensee of any deficiency in the application for its removal within ten working days.

- 3.4 In case of non-removal of deficiencies within specific time and without providing any reason / justification, the request will be declined and matter will be disposed of accordingly after approval of the Authority.
- 3.5 Subject to fulfillment of all requirements, the matter will be decided; No Objection Certificate (NOC) be issued or the notification be processed, within five working days. While processing/issuing the NOC or Notification, the Transferor and Transferee will be directed to ensure compliance of all codal formalities of concerned bodies for the purpose of carrying out proposed change.
- 3.6 In case of transfer of License or Change in Control or Substantial Ownership, where spectrum is involved, PTA will intimate FAB about proposed change, prior to issuance of NOC or issuance of notification, as the case may be.
- 3.7 In case of foreign companies/nationals, the undertaking as required in the attached checklists will be furnished on Company`s letterhead attested by the respective Pakistani embassy/consulate and duly verified by Pakistan Foreign Office. Further, any other document issued by the foreign body shall also be attested by the respective Pakistani embassy/ consulate and duly verified by Pakistan Foreign Office.

CHECKLIST**CHANGE OF SUBSTANTIAL OWNERSHIP INTEREST**

S.No.	Item	Documents Required
Section 1 – General Requirements		
1.	Formal written Request by the Licensee (Transferor)	Formal written request on Company's letterhead from the Chief Executive/ Authorized Representative providing background, intent, justification for the proposed change and certifying that the change is not in violation of any laws of Pakistan/ AJ&K & GB, as the case may be, with particular reference to the Companies Act, 2017 its amendments and SECP's rules, regulations, guidelines etc.
2.	Licenses	Details of licenses issued by PTA and their status.
Section 2 – Legal Requirements		
3.	Board Resolution	Board Resolution of the Company certified by the Company Secretary regarding the proposed change in substantial ownership interest, providing consent and approval of the directors to such change.
4.	Credentials of the Transferee	Duly certified true copies, by Company Secretary of transferor, of NTN, CNIC, and Passport (in case of foreign national) of the directors of the Transferee Company.
5.	Undertakings on Stamp Paper of Rs 100 Duly Notarized by Notary Public	<p>a. By Transferor and Transferee, each, to the extent that both parties mutually resolve that all disputes arising out of change in substantial ownership and any consequence thereof as well as all outstanding dues/ liabilities will be the responsibilities of the Transferee.</p> <p>b. By Transferee to accept and own unconditionally all the liabilities of the customers of Transferor.</p> <p>c. By Transferor and Transferee, each, to the extent that no criminal or civil proceedings or enquiries are in progress/pending before any court, tribunal or government organization against the Company as well as any of its directors and that Company or its directors are not defaulter of PTA, any other Government Organization, Bank etc.</p>

S.No.	Item	Documents Required
6.	SECP Forms	a. Latest SECP certified true copies of Forms A, 28 (where applicable), 29, 44, 45 of the Transferor Company; and b. Draft Form 29 of the Transferor Company reflecting the proposed change.
7.	MoU	Where applicable
8.	Shareholding of New Shareholders	Percentage shareholding of Transferee in any other PTA Licensee Company.
Section 3 – Financial Requirements		
9.	Clearance of dues as per the license(s) issued under the Act	Evidence of Proof of payment regarding clearance of dues of the Company and all the other companies where the new shareholder is also part of their directors/shareholder/senior management.
10.	Others	Any other requirement by PTA.

CHECKLIST**CHANGE IN CONTROL**

S.No.	Item	Documents Required
Section 1 – General Requirements		
1.	Formal Written Request by the Licensee (Transferor):	Formal written request on Company's letterhead from the Chief Executive/ Authorized Representative providing background, intent, justification for the proposed change and certifying that the change is not in violation of any laws of Pakistan/ AJ&K & GB, as the case may be, with particular reference to the Companies Act, 2017 its amendments and SECP's rules, regulations, guidelines etc.
2.	Licenses	Details of licenses issued by PTA and their status.
Section 2 – Technical Requirements		
3.	Technical Detail of Proposed Transferee	Details describing technical strength of Transferee including bio- data of the technical persons who will handle the technical part of the Company along with existing profile of the Company.
Section 3 – Legal Requirements		
4.	Board Resolution	Board Resolution of the Company certified by the Company Secretary regarding the proposed change in control, providing consent and approval of the directors to such change. This shall specify nature of change, whether it is by way of transfer of shares, directorship, ownership or any other details of the said transaction.
5.	Credentials of the Transferee	<p>a. Duly certified true copies, by Company Secretary of Transferee, of NTN, CNIC, Passport (In case of foreign national) of the directors of the transferee company.</p> <p>b. In case of foreigner transferee, history and track record.</p> <p><i>In case of Transferee is a Company:</i></p> <p>c. Memorandum & Articles of Association.</p> <p>d. Latest shareholding structure of the Company.</p> <p>e. Details whether the Transferee Company or its directors are shareholder in any other PTA Licensee Company along with shareholding percentage and status as to directorship in that other Company.</p> <p>f. Details of holding/parent Company along with all its</p>

S.No.	Item	Documents Required
		Directors.
6.	Undertaking on Stamp Paper of Rs 100 Duly Notarized by Notary Public	<p>a. By Transferor and Transferee, each, to the extent that both parties mutually resolve that all disputes arising out of change in control and any consequence thereof as well as all outstanding dues/liabilities will be the responsibilities of the Transferee.</p> <p>b. By Transferee to accept and own unconditionally all the liabilities of the customers of Transferor.</p> <p>c. By Transferor and Transferee, each, to the extent that no criminal or civil proceedings or enquiries are in progress/pending before any court, tribunal or government organization against the Company as well as any of its directors and that Company or its directors are not defaulter of PTA, any other Government Organization, Bank etc.</p>
7.	SECP Forms	<p>a. Latest SECP certified true copies of Forms A, 28 (where applicable), 29, 44, 45 of Transferor and Transferee companies.</p> <p>b. Draft Form 29 of the Transferor Company reflecting the proposed change.</p>
8.	MoU	MoU/ Agreement between both parties including share purchase agreement.
Section 4 – Financial Requirements		
9.	Financial Position of the Transferee	<p>a. Statement showing financial position/ resources of the Company including bank statement.</p> <p>b. Audited financial statements of the latest financial year.</p>
10.	Clearance of Dues as per the License(s) Issued Under the Act	Proof of payment regarding clearance of all dues of Transferor and Transferee companies.
11.	Business Plan (Technical + Financial)	<p>Plan to explain that how continuity of service and consumer interest shall be safeguarded after the proposed change takes into place.</p> <p>Further, in case of significant change in technical plan, the same shall be submitted along with application.</p>
12.	Others	Any other requirement by PTA.

CHECKLIST**TRANSFER OF LICENSE TO ANOTHER COMPANY**

S.No.	Item	Documents Required
Section 1 – General Requirements		
1.	Formal Written Request by the Licensee (Transferor):	Formal written request on Company's letterhead from the Chief Executive/ Authorized Representative providing background, intent, justification for the proposed transfer and certifying that the transfer is not in violation of any laws of Pakistan/ AJ&K & GB, as the case may be, with particular reference to the Companies Act, 2017 its amendments and SECP's rules, regulations, guidelines etc.
2.	Licenses	Details of licenses issued to Transferor and Transferee by PTA and their current status.
Section 2 – Technical Requirements		
3.	Technical detail of proposed transferee	Details describing technical strength of Transferee including bio- data of the technical persons who will handle the technical part of the Company along with profile of the Company.
Section 3 – Legal Requirements		
4.	Board Resolutions	Board Resolutions of the Transferor and Transferee companies certified by the Company Secretaries regarding the proposed Transfer of License, providing consent and approval of the directors to such change.
5.	Credentials of the Transferee	<p>a. Duly certified true copies, by Company Secretary of Transferee, of NTN, CNIC, Passport (In case of foreign national) of the directors of the transferee Company.</p> <p>b. In case of foreigner transferee, history and track record.</p> <p><i>In case of Transferee is a Company:</i></p> <p>c. Memorandum & Articles of Association.</p> <p>d. Latest shareholding structure of the Company.</p> <p>e. Details whether the Transferee Company or its directors are shareholder in any other PTA Licensee Company along with shareholding percentage and status as to directorship in that other Company.</p> <p>f. Details of holding/parent Company along with all its Directors.</p>

S.No.	Item	Documents Required
6.	Undertakings on Stamp Paper of Rs 100 Duly Notarized by Notary Public	<p>a. By Transferor and Transferee, each, to the extent that both parties mutually resolve that all disputes arising out of Transfer of License and consequence thereof as well as all outstanding dues/ liabilities will be the responsibilities of the transferee.</p> <p>b. By Transferee to accept and own unconditionally all the liabilities of the customers of Transferor.</p> <p>c. By Transferor and Transferee, each, to the extent that no criminal or civil proceedings or enquiries are in progress/pending before any court, tribunal or government organization against the Company as well as any of its directors and that Company or its directors are not defaulter of PTA, any other Govt organization, bank etc.</p>
7.	SECP Forms	Latest SECP certified true copies of Forms A, 28 (where applicable), 29, 44, 45 of Transferee Company.
8.	MoU	MoU/ Agreement between both parties including share purchase agreement.
Section 4 – Financial Requirements		
9.	Financial position of the Transferee	<p>a. Statement showing financial position/resources of the Company including bank statement.</p> <p>b. Audited financial statements of the latest financial year.</p> <p>c. 5 years projected financial statements including projected cash flows.</p>
10.	Clearance of Dues as per the License(s) Issued Under the Act	Proof of payment regarding clearance of all dues of Transferor and Transferee companies.
11.	Business and Technical Plan	Plan to explain that how continuity of service and consumer interest shall be safeguarded after the proposed change takes into place. Further, in case of significant change in technical plan, the same shall be submitted along with application.
12.	CCP NOC	Proof/ Clearance letter of Competition Commission of Pakistan (CCP) for proposed transfer of License. (Not applicable on non-license holder of PTA).
13.	Others	Any other requirement by PTA.