



Government of Pakistan
PAKISTAN TELECOMMUNICATION AUTHORITY
Headquarters, F-5/1, Islamabad
<http://www.pta.gov.pk>

Enforcement order under section 23 of the Pakistan Telecommunication (Re-organization) Act, 1996 against Ittefaq Cable Network (Pvt.) Limited

No: PTA/Lic-WrL/LL-AJK/1087/2017/**15**

Date of Show Cause Notice:	7 th February 2020
Venue of hearing:	PTA HQs, Islamabad
Hearing dates:	23 rd November, 2021 30 th November, 2021 9 th December, 2021

Panel of Hearing

Maj. Gen. Amir Azeem Bajwa (R):	Chairman
Dr. Khawar Siddique Khokhar:	Member (Compliance & Enforcement)
Muhammad Naveed:	Member (Finance)

Issue

“Non-Commencement of Licensed Services”

DECISION OF THE AUTHORITY

1. Precisely stated facts of the case are that **Ittefaq Cable Network (Pvt.) Limited** (the “Licensee”) was awarded non-exclusive Local Loop licenses No. LL(AJK&NA/TR-1)-07-2018 dated 6th April, 2018 and No. LL(AJK&NA/TR-2)-07-2018 dated 6th April, 2018 by Pakistan Telecommunication Authority (the “Authority”) to provide licensed services in the licensed regions of Azad Jammu and Kashmir and to establish, maintain and operate a telecommunication system, subject to the terms and conditions contained in the license.
2. The licensee is required to comply with the provisions of the prevailing regulatory laws comprising 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"), and the terms and conditions of the licenses.

3. The provisions of clause (a) of sub-section (4) of section 21 of the Act, clause 8.1 of the Appendix B of the Rules and condition 3.1.1 of the license oblige the licensee to observe the provisions of the Act, the Rules and the Regulations.

4. Condition 3.2.1 of the license provides that the licensee shall establish at least one Network Connection Point in each licensed region and commence the provision of mandatory services in each licensed region within 18 (eighteen) months from the effective date. Further, condition 6.11.2 of the license provides that 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. Accordingly, the licensee, was required to obtain commencement certificate and also advised for seeking compliance vide PTA letter dated 3rd June, 2019, however, the licensee still has failed to comply with the mandatory requirement of obtaining commencement certificate.

5. Due to failure on the part of the licensee in obtaining commencement certificate, a show cause notice (SCN) under section 23 of the Act was issued to the licensee wherein it was required to remedy the aforementioned contravention by obtaining commencement certificate within **seven (7) days** of the issuance of SCN and also explain in writing, **within thirty 30 days** of the license of the issuance of SCN. In response to SCN, the licensee instead of applying for commencement, rather alleged that many illegal companies are operating in Azad Kashmir and requested for initiation of legal action against the said companies on 4th March, 2021. In addition, the licensee also intimated about its readiness for commencement inspection after 20th March, 2020. With regard to taking action against alleged illegal companies, it is pertinent to point out here that the licensee did not provide any name, details and other relevant information of such companies. However, the Authority is vigilant and checks on the operation of illegal companies as well as initiating action against such companies from time to time. With regard to carrying out commencement inspection, the licensee vide email dated 21st October, 2020 was informed

to make necessary arrangements for the commencement inspection due to be held on 27th October, 2020. However, the licensee vide email 26th October, 2020 requested to postpone the commencement inspection on the account that most of its technical staff is suffering from flu, fever and bad cough.

6. Consequently, the commencement inspection at TR-1 was conducted on 17th and 19th November, 2020. During the commencement inspection, it was observed that mandatory services in the licensed region could not be tested due to non-implementation of numbering plan. The same was intimated to the licensee vide PTA's letter dated 9th July, 2021 with further directions to complete all the codal formalities, apply for commencement inspections for each telecom region separately and confirm readiness for commencement re-inspection by 26th July, 2021. Despite failure of the licensee to confirm its readiness for commencement re-inspection by 26th July, 2021 another opportunity was provided vide PTA's letter dated 1st October, 2021 directing therein to complete all the codal formalities, apply for commencement inspection for each telecom region i.e. TR-1 & TR-2 and confirm readiness for commencement re-inspection by 16th October, 2021. However, the licensee still did not apply for commencement inspection.

7. To proceed further, the matter was fixed for hearing before the Authority on 23rd November, 2021. On the said date, the licensee requested for an adjournment which was granted by the Authority. The matter was again fixed before the Authority on 30th November, 2021. However, the licensee failed to appear on the said date and upon being contacted telephonically, requested another opportunity of hearing before the Authority which allowed and the matter was re-fixed on 9th December, 2021. On behalf of the licensee, Mr. Sardar Farab Mustafa (Director) and Mr. Muhammad Saeed Khan (legal counsel) attended the hearing. During the course of hearing, the licensee submitted that it has completed the formalities necessary for commencement inspection and ready in this regard and made request for commencement inspection within one (1) month. Besides, the licensee attributed delay in obtaining commencement certificate to COVID circumstances.

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Dated: 28th Jan, 2022

Order

8. Keeping in view the above-mentioned facts and the request made by the licensee during the hearing, the Authority hereby decides as under:

- a) The licensee is required to fulfill all codal requirements for commencement inspection, apply for commencement inspections for each telecom region, i.e., TR-1 and TR-2 separately with confirmation of its readiness for commencement inspection and obtain commencement certificate by 30th January, 2022 in both licensed regions.
- b) In case of non-compliance of para 9 (a) above, Local Loop licenses No. LL(AJK&NA/TR-1)-07-2018 dated 6th April, 2018 and No. LL(AJK&NA/TR-2)-07-2018 dated 6th April, 2018, granted to the licensee shall stand terminated without any further notice.

Maj. Gen. Amir Azeem Bajwa (R)

Chairman

Muhammad Naveed
Member (Finance)

Dr. Khawar Siddique Khokhar
Member (Compliance & Enforcement)

Signed on 28th day of January, 2022 and comprises of (04) pages only.