



CONSULTATION PAPER

ON

Review of Mobile Virtual Network
Operator(MVNO) Framework

Pakistan Telecommunication Authority
Headquarter F-5/1, Islamabad
www.pta.gov.pk

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1 Introduction

Mobile Virtual Network Operator (MVNO) is an operator that does not own spectrum but have business arrangements with conventional Mobile Network Operators (MNOs), who buy minutes of use (MoU) from the MNOs for sale to its own customers.

The MVNO business started in year 1999 and now there are over 100 around the Glob. Since limited spectrum is available for MNOs, there can only be a small number of operators (MNOs) in each region/country. However, anyone else wanting to enter the market may purchase capacity from MNO for reselling and become an MVNO.

The Authority, keeping in view clause 6.12 of cellular mobile policy 2004, issued MVNO Framework on March 20, 2006 for implementation be mobile operators. The MVNO Framework was prepared in consultation with all cellular mobile operators and the Ministry of Information Technology. The MVNO Framework was framed such that it does not disturb the market that was highly competitive and where the operators were lacking network capacity. Now, keeping in view the changed scenario and clause 2.10 of the framework, the same is under review.

2. WORLD PRACTICE ON MVNO

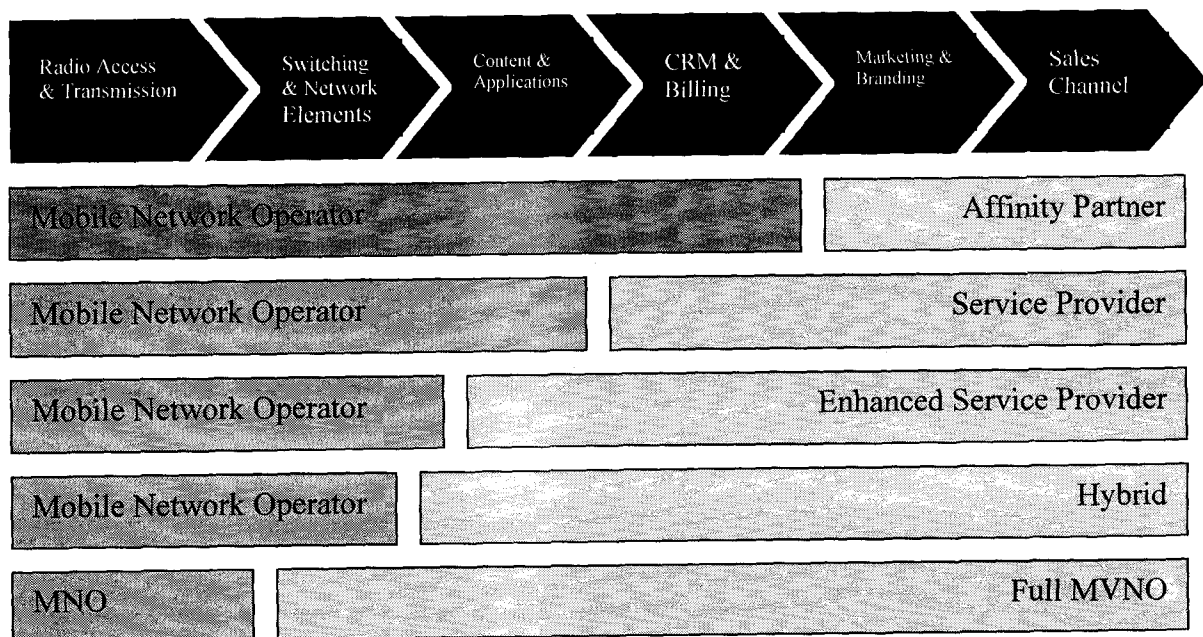
As wireless services expand their worldwide stronghold, these wireless service providers operating in developed economies like Japan, South Korea, and Western India which have reached or are very close to cent percent mobile penetration are already seeing decline in revenue growth. As the profitability is under tremendous pressure due to demand saturation, and increasing competition service providers are diversifying into wireless data and other innovative differentiator services. One such innovation has been the emergence of Mobile virtual network operators (MVNO). One of the best examples of this is Virgin Mobile UK not only because it was first but also one of the leanest and successful MVNO with having just the brand name and different customer care number. MVNO was successful with just innovative pricing, value added services and different customer care provisions and by this they managed to come first twice and its host operator worst despite its product and Network. Now, there are over 100 operational MVNO

worldwide. Most of the MVNOs are in Europe, USA and Australia with major share lies in USA. Moreover, MVNOs are popular in highly competitive and developed markets that have appreciable growth and enough capacity. ValueFirst (India) is another example who empowers its customers to communicate between varied IT back-end systems and mobile phones using SMS Software/ API Services. ValueFirst provides a unique, end-to-end, global carrier-grade mobile data service. Its mobile data service offering includes "plug and play" application licensing and hosting. Employing a partnership with Mobile operators, ValueFirst acts as a Mobile Virtual Network Operator (MVNO), with a clear focus on SMS mobile messaging. ValueFirst's Mobile Messaging Platform is capable of delivering SMS services to virtually any CDMA/GSM mobile handset across the globe.

Major leading MVNOs have their infrastructure such as MSC, HLR and IN etc and also managing SIM card by maintaining customer related functions like billing, branding etc. Restriction and free to do environment depends on the commercial agreement between MNO and MVNO.

3. SCOPE OF MVNO

There are a variety of MVNOs. Some are simple re-seller of telecom service/mobile network services whereas others have positioned their operations in a manner that customer do not distinguish significantly in service or network performance. The original five models for MVNO were developed in 1999 are shown below.



In the case of most simple MVNO, the companies become more than a re-seller by adding their own brand name and making own marketing strategies. Where as, some leading MVNO deploy their own Mobile Switching Center (MSC) and IN infrastructure to facilitate value added services. In this, MVNO treats radio equipment of MNOs as a commodity while offer its own advanced and differentiated services based on its own IN platform. This allows MVNOs to compete the incumbent operators not only on the basis of price but also through the services being offered.

The scope of MVNO in Pakistan is left open to the terms agreed on a commercial basis between MNOs and MVNOs. The operators (MNOs) can opt for any one model from the given above. Further, the MNO concerned shall submit a copy of the agreement with MVNO and other legal document to PTA for grant of class license to MVNO and after award of license and fulfillment of necessary obligations under the license, MVNO operation shall be commenced.

4. KEY ISSUES

4.1 Number Allocation:

Since the MVNOs operate under certain commercial agreement with MNOs, which also include clauses for exit from such agreements, therefore, the number allocation issue is very important. Similarly, with number portability regime, this issue becomes more important. The numbers blocks for MVNO operation shall therefore be allocated to MNOs and who shall be responsible for its number portability and payment to PTA related issues.

4.2 Branding:

MVNO shall be able to its own brand name. They will also be able to sell SIMs under their brand name on the codes allocated to MNOs for the same purpose.

4.3 Billing:

MVNO shall be responsible for billing its own customer and keeping record of the billing information. The MVNO shall approve billing format from the Authority prior to commencement of service and shall resolve complaints of its customers in this regard.

4.4 Fraud and Security:

Mobile phone theft and Fraud are major concerns and the MNOs have policies and procedures on reporting and deactivating stolen or lost handsets. Since this can be handled at MSC level, MVNO may not be capable for handling this. Therefore, arrangements are made in the commercial contracts between the parties and MNO is obliged to report and deal with any fraudulent use it detects. In the case, MVNO have been allowed to setup its own MSCs then the MVNO shall be responsible for making necessary arrangement to deal with fraud cases.

4.5 National Security

The national security issue will depend on the agreement between MNOs and MVNOs. In case of Full MVNO, the MVNO shall be responsible for taking care of national security issues. In all other cases, MNOs shall be responsible for taking care of national security issues.

4.6 USF and R&D Fund Contribution

MVNO shall contribute in the USF and R&D funds on the same rate being paid by the MNOs.

4.7 Payment of Fees:

The MVNOs shall pay an upfront fee of equal to US\$ 10,000. for the class license. Further the MVNO shall also pay an annual fee @ of 0.5% of its gross revenue minus inter-operator and PTA charges.

4.8 Interconnect and Roaming

The MVNO will not be allowed to make interconnect or roaming agreements with other operators instead will use the parent MNO interconnect and roaming agreements.

4.9 Quality of Service Obligation

The MVNO shall be responsible for maintaining quality of service as per benchmarks set

by the Authority which also applicable for MNOs. The QoS of MVNOs will be checked independently of its parent MNOs and in case the QoS is found below the set level the Authority will reserve the rights to impose penalty on MVNOs.

4.10 Customer Care

The MVNO shall be responsible to establish its own customer care centers to cater for its own subscribers complaints and other related issues.

4.11 Service Interruption/Suspension/Termination

Once MVNO commences its service, then the MNO shall provide service to its MVNO without interruption. Also the MNOs shall not suspend/terminate services to MVNOs under the commercial agreement without prior approval of the Authority.

4.12 Termination of MVNO Class License

In the event if the Authority terminate the license of Parent MNO, the MVNO class license shall stand terminated automatically.

5. COMMENTS AND CONTACT POINT

We would welcome your comments on this consultation paper. Any comments should be forwarded by April 7, 2007 to Director General (Wireless Licensing), Pakistan Telecommunication Authority, Headquarters F-5/1, Islamabad, Pakistan. Comments can be emailed to dgwl@pta.gov.pk or faxed on # 051-2878129.

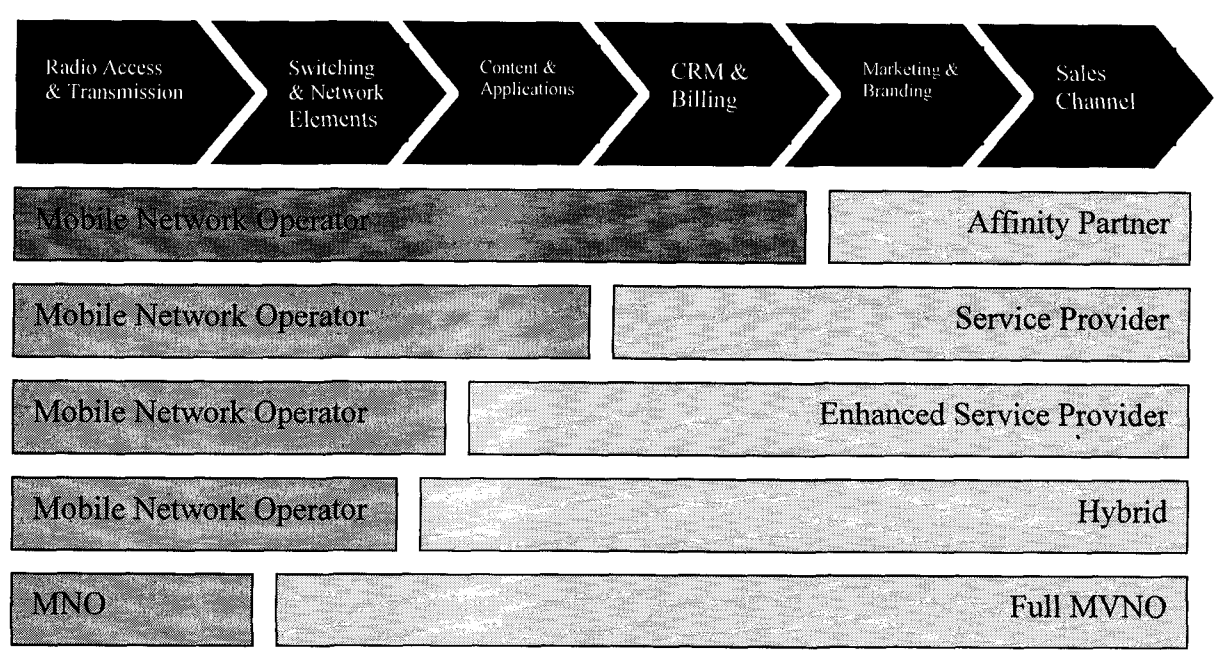
DRAFT
Framework for MVNO Services in Pakistan

Mobile Virtual Network Operator (MVNO) is an operator that does not own spectrum instead, MVNOs have commercial arrangements with conventional Mobile Network Operators (MNOs) to buy minutes of use (MoU) for sale to its own customers customers.

2. The Pakistan Telecommunication Authority allows Mobile Virtual Network Operator (MVNO) services in Pakistan in the light of clause 6.12 of Cellular Mobile Policy 2004. Mobile operators are also permitted to support MVNO services. The following terms and conditions shall apply to MVNO service operations in Pakistan:

2.1 Only a company registered with SECP shall be allowed to provide MVNO services in Pakistan.

2.2 The five MVNO models are shown below. The MNOs are allowed to make agreements with interested parties for MVNO operations for any one of the model and which shall be clearly highlighted in the agreement document.



2.3 The MNO that make commercial agreement for MVNO operation in Pakistan shall submit the same to the Authority for approval prior giving effect to this agreement. In addition to the commercial agreement, MVNO shall also submit application to the Authority for the award of MVNO Class License. The application shall include documents given in Appendix-A.

2.4 MVNO shall use its own brand name for the provision of services in Pakistan. For this purpose the Authority shall allocate separate number blocks to MNOs for use by its MVNO only. Further, each MVNO shall have separate number blocks on which it will sell its own SIM. However, for the number portability, MNOs shall be responsible who actually control the network infrastructure. In case an agreement is signed for Full MVNO model then the MNOs shall make sure that their concerned MVNOs make arrangements in MSC etc to enable number portability prior to commencement of services by the MVNO concerned.

2.5 MVNO shall be allowed to install certain network elements as agreed upon by the MNOs and as approved by the Authority. Further the agreement once approved by the Authority shall not be changed by the MNOs and MVNO without prior approval of the Authority.

2.6 QoS shall be the sole responsibility of MVNOs. Since MVNOs shall hold its own Brand name, market its own SIMs and install certain network elements, therefore, the MVNO must make sure that its users receive good quality of service as per benchmarks set by the Authority. In this respect the MVNO while signing agreements with MNO should look into this aspect.

2.7 MNOs shall be responsible for the national security issues. In case the agreement between MNO and MVNO is signed for Full MVNO under which the MVNO will install own MSCs then the MVNO concerned shall make necessary arrangements for the national security matters.

2.8 The MVNO will hold the ownership of its own customers and will be responsible for

making necessary arrangement to facilitate them. The MVNO shall address the complaints of its own users and for this purpose shall establish at least one customer care centre in each city of its operation.

2.9 MVNO shall not be allowed to make roaming agreement with other local / national / International mobile networks. The MVNO shall provide roaming facilities to its customers as per roaming agreements made by its parent MNO.

2.10 MVNO shall be responsible for all payments due to PTA as per its license conditions. MVNO shall also be responsible for the conduct / action of its own subscribers, who shall also abide by the Act, Rules, Regulations promulgated by the Authority from time to time. MVNO shall be responsible for the resolution of billing or other disputes with its own customers as well as MNOs.

2.11 Once an MVNO commences its service, then the MNO shall provide service to MVNO without interruption. Also the MNOs shall not suspend/terminate services to MVNOs under the commercial agreement without prior approval of the Authority.

2.12 The MVNO Class Licence shall be issued for a period of agreement between MNO and MVNO or a valid term of his parent MNO or which ever smaller. If the Authority for any valid reason terminates the license of Parent MNO then this license shall automatically stand terminated.

2.13 This Framework may be reviewed by the Authority, form time to time, if the Authority deems it fit or circumstances so require.



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

Licence No. MVNO- 07/WLL&M/PTA/2007

March 2007

**MOBILE VIRTUAL NETWORK OPERATOR CLASS LICENCE ISSUED UNDER
SECTION 21 OF THE PAKISTAN TELECOMMUNICATION (RE-ORGANIZATION)
ACT, 1996**

The Pakistan Telecommunication Authority (“The Authority”) hereby grants a non-exclusive MVNO Class License to **M/s** **(Private) Limited** (“The Licensee”) to provide the MVNO Licensed Services in Pakistan (excluding AJK and Northern Areas) and to establish, maintain and operate the Licensed System through parent MNO, subject to the terms and conditions contained herein.

On behalf of

The Authority
(Private) Limited

On behalf of

M/s **Pakistan**

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PART 1 GRANT OF LICENCE

1.1 SCOPE OF THE LICENCE

- 1.1.1. This Licence authorizes the Licensee to provide the Licensed MVNO Class Services in Pakistan (excluding AJK and Northern Areas), and to establish, maintain and operate the Licensed System through Parent MNO.
- 1.1.2. The Licensee shall provide the following Mandatory Services through Parent MNO in Pakistan.
Mobile Communication Service, including;
 - 1.1.2.1 emergency services,
 - 1.1.2.2 operator assistance services, and
 - 1.1.2.3 national and international long distance services through Parent MNO ..
 - 1.1.2.4 such other Telecommunications Services as the Authority may, by Regulation, require.
- 1.1.3. The Licensee may provide optional services incidental to cellular mobile telephony through Parent MNO;
- 1.1.4. The Licence does not authorize the following :
 - 1.1.4.1 the provision of Mobile Cellular Telecommunication Services in AJK and Northern Areas
 - 1.1.4.2 the interconnection of the Licensed System to the telecommunication system of a service provider that provides telecommunications services outside Pakistan.,
 - 1.1.4.3 Such other activities or Telecommunication Services as the Authority may by Regulation prohibit.
- 1.1.5. The Licensee shall not provide any Telecommunication Service or install, maintain or operate any Telecommunication System that is not authorized in this Licence, except pursuant to a separate licence or other proper authorization from the Authority.
- 1.1.6. The Licensee shall not authorize or facilitate the Terminal Equipment used by a fixed line customer in connection with the Limited Mobility Communication Service, to be authenticated or used with the Mobile Communication System.

- 1.1.7. The Licensee shall provide access to national and international Long Distance Public Voice Telephone Services only through the interconnection of the Parent MNO Licensed System with the Telecommunication System of another Operator duly licensed by the Authority to provide national and international long distance services.
- 1.1.8. The Licensee shall notify the Authority at the time that the Licensee wishes to begin to offer a new category of Licensed 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 EFFECTIVE DATE AND TERM OF THE LICENCE

- 1.2.1. This Licence shall come into force on the Effective Date and shall be valid for a period of agreement or a valid term of his parent operator or which ever smaller. If the Authority for any valid reason terminate the license of Parant MNO then this license shall automatically stand terminated.
- 1.2.2. If the Licensee wishes to renew the term of the Licence at the expiration of the initial or any renewal term(date of expiry of parent MNO) , it shall submit to the Authority a written request for renewal latest agreement with MNO at least 3 months prior to the expiration of the current term.
- 1.2.3. Within 3 months after the receipt of the Licensee's request pursuant to Condition 1.2.2, 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 Licence and provide reasons therefore, which reasons may include the Licensee's repeated, grave or continuing violations of the terms and conditions of this licence, the Act, Rules or Regulations during the initial terms and conditions of this Licence. 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 days period, the Authority shall hold a hearing at which the Licensee may make representations in response to the Authority's show cause notice. The Licensee may, as part of its representation, 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 licence, the Act, Rules or Regulations. Following such hearing, the Authority shall, within 15 days, give its determination either;

(c) 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

(d) to renew the License on such terms and conditions as are consistent with the policy of the Federal Government at the time, to come into effect at the conclusion of the initial term, or

(e). to renew the License on such terms and conditions as are consistent with policy of 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.

PART 2 : RIGHTS OF THE LICENSEE

2.1 NUMBERS AND SHORT CODES

2.1.1 The MVNO Licensee can obtain 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 provisions of the Licensed Services through parent MNO.

2.2 MOBILE NUMBER PORTABILITY

2.2.1 The MVNO Licensee shall implement Mobile Number Portability from the Effective Date according to the regulations / guidelines issued by the Authority from time to time in case core Network is installed. .

2.3 NATIONAL ROAMING

2.3.1 The Licensee shall not be allowed to make roaming agreement with other local / national mobile networks. The MVNO shall provide roaming facilities to its customers as per roaming agreements made by its parent MNO.

PART 3 OBLIGATIONS OF THE LICENSEE

3.1 COMPLIANCE WITH LAW

- 3.1.1. This Licence is subject to the terms and conditions contained herein and to the Act, Rules and Regulations. In the event of any conflict or inconsistency between the provisions of this Licence, and the provisions of the Act, Rules or Regulations, the provisions of the Act, Rules and Regulations shall prevail.
- 3.1.2 The Licensee shall establish, maintain and operate its MVNO Licensed System, and shall provide the Licensed Services through parent MNO, 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 functions assigned to the Authority under the Act. The Licensee shall comply with all orders, determinations, directives and decisions of the Authority.

3.2 RESEARCH AND DEVELOPMENT FUND

- 3.2.1 During each Financial Year of the Licensee, the Licensee shall devote to research and development activities in Pakistan an amount calculated on the basis of 0.5% of the Licensee's Annual gross revenue from Licensed Services minus inter-operator payment and Parent MNO related payments.
- 3.2.2 In any Financial Year of the Licensee, the Licensee may satisfy its requirements under Sub – Clause 3.2.1. by making a contribution to the Research and Development Fund established by the Federal Government.

3.3 ACCESS TO EMERGENCY SERVICES

- 3.3.1 The Licensee shall provide its customers with access to government emergency services, including automatic connections to local police, fire and ambulance assistance by means of a simple telephone number with operator standby assistance available in case of failure of Licensee's automated system. The Licensee shall comply with other requirements imposed by the Authority in relation to emergency services.

3.4 DIRECTORY INFORMATION

- 3.4.1 The Licensee may 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.
- 3.4.2 The Licensee may, 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.

- 3.4.3 The Licensee may 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 other Operator are unable to agree on the pricing, terms and conditions of such access, either Operator may refer the matter to the Authority as a dispute relating to interconnection.

3.5 ALTERATION OF NETWORK

- 3.5.1 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 which may cause hazard to human life/community and is deemed against the public interest.

PART 4 FEES AND OTHER CHARGES

4.1 PAYMENT OF FEES

- 4.1.1 The Licensee shall pay the following **initial License fees** to the Authority:

4.1.1.1 100 % License fee in US\$ or equivalent Pakistan Rupees i.e 10,000 US dollar. For the purpose of conversion of payable fee into Pakistan Rupees, NBP TT selling rate of the business day preceding the date of payment. In absence of NBP TT selling rate any other exchange rate mutually agreed by the Authority and the Licensee shall be used. However, this payment being the initial License fee will not be excluded from the gross revenue for the purpose of calculation of annual License fee (at the rate of 0.5%), USF contribution (at the rate of 1.5%) and R&D contribution (at the rate of 0.5%).

- 4.1.2 The Licensee shall pay the following **annual fees** to the Authority within 120 days of the close of Financial Year of the Licensee:

4.1.2.1 the MVNO Licensee shall pay to the Authority an amount equivalent to 0.5 % of the Licensee's annual gross revenue from Licensed Services minus inter-Operator payments and parent MNO related payments as annual license fee.. However initial License fee ,collection of charges,penalties imposed by PTA,if any, and **leased line charges shall not be deducted from the gross revenue.**

4.1.2.2 the Licensee shall contribute Universal Service Fund to the Authority, an amount equivalent to 1.5 % of the Licensee's annual gross revenue from Licensed Services minus inter-operator payment and related Parent operator (MNO) mandated payments. However, initial License fee, collection charges, penalties imposed by PTA, if any and lease line charges shall not be deducted from the gross revenue.

4.1.2.3 the Licensee shall contribute an amount equivalent to 0.5 % of the Licensee's annual gross revenue from Licensed Services minus inter-operator payment and related Parent operator (MNO) mandated payments to the Research and Development Fund. However, initial License fee, collection charges, penalties imposed by PTA, if any and lease line charges shall not be deducted from the gross revenue.

4.2 UNIVERSAL SERVICE FUND

4.2.1 The Licensee is not eligible to apply for money from the Universal Service Fund

4.3 GENERAL CONDITIONS CONCERNING FEES

4.3.1 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.

4.3.2 In addition to any other remedies available to the Authority, late payment of all fees including initial License fee 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.

4.3.3 The Licensee shall annually submit to the Authority audited financial statements in support of its calculations of annual fees payable pursuant to this clause 4.

4.3.4 The License may be suspended, in case the Licensee fails to make payment of initial License fee/annual License fees within 180 days of due date for the payment.

4.3.5 Where the Licensee is required under the Licence 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 for the business day preceding the rate of payment.

Part 5 GENERAL CONDITIONS

5.1 OPERATION OF LICENSED SERVICES

- 5.1.1 The MVNO Licensee shall ensure that the Licensed System and the Licensed Services do not cause any damage to any Telecommunication System or Telecommunications Services of any other Operator.
- 5.1.2 The Licensee shall conduct its operations and shall establish its Licensed System through parent MNO in a manner so that it is not a safety hazard and is not in contravention of any law, rule or regulation.

5.2 DISCONTINUATION OF SERVICES

- 5.2.1 The Licensee shall not discontinue providing a category of Class Licensed Services unless (a) the MVNO 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 payable to the Authority and any payment to MNOs.

5.3 MONITORING

- 5.3.1 The MVNO Licensee shall provide in case Switch is installed, at its own cost, suitable equipment at premises designated by the Authority, in order to monitor the communications for the purpose of national security; measure and record traffic; call detail records; and quality of service in a manner specified by the Authority. The Licensee shall provide the Authority/ concerned agencies with access to such equipment, and the information generated by such equipment

5.4 INFORMATION

- 5.4.1 The Licensee shall furnish to the Authority, such information as the Authority may demands regarding the Licensee's network plan, network and terminal standards, links utilized, financial information, costs and accounts or any such other information as the Authority may from time to time request in connection with its functions, powers and responsibilities.
- 5.4.2 The Licensee shall maintain such books and records 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.
- 5.4.3 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 statements of profit and loss and assets and liabilities, to the Authority within 120 days of the closing date of Financial Year of the Licensee.

5.4.4 The Authority shall take reasonable steps to maintain the confidentiality of information in writing 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.

5.5 QUALITY OF SERVICE

5.5.1 The Licensee shall at all times meet or exceed the quality of service standards described in Appendix-1 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 quarterly 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.

5.5.2 The Authority may carry out tests on the quality of the Licensed Services and the Licensed System and the Licensee shall extend full co-operation and assistance for the purpose including provision of test instruments and equipment.

5.6 INSPECTION

5.6.1 The Licensee shall allow inspection of any premises by a representative of the Authority at any time and furnish to the representative such information as may be required by the Authority.

5.7 NATIONAL SECURITY

5.7.1 The Licensee shall comply with the national security and other requirements of section 54 of the Act and any other national security requirements under the law of the land.

5.7.2 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 angle.

5.7.3 The Licensee shall not transfer the following to any person/place outside Pakistan :-

5.7.3.1 any accounting information relating to subscriber (except for roaming/billing);
and

5.7.3.2 user information ;

5.7.4 No local/long distance traffic (mobile and fixed line) shall be hauled outside Pakistan .

5.7.5 No remote access shall be provided to any person/place outside Pakistan for any maintenance/repairs/databases/facility.

5.7.6 No ciphering equipment or software shall be used by the service provider or user without prior approval of the Authority.

5.7.7 **In the case of Full MVNO** the Licensee shall ensure to implement Equipment Identity Register (EIR) module in the network.

5.8 CALL RECORDS

5.8.1 The Licensee shall maintain call records including called and calling numbers, date, duration and time, with regard to the communications made on its Telecommunication System for a period of one year for scrutiny by or as directed by the Authority or required by security agencies under the law.

5.9 NETWORK STANDARDS

5.9.1 The Licensee shall use any type of network equipment that meets appropriate ITU or other international telecommunication standards recognized by the Authority.

5.9.2 The Licensee shall ensure that its network is at all times interoperable and interconnectable with the networks of other 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 interoperability and interconnectability with the networks of other Operators.

5.10 TYPE APPROVAL OF TERMINAL EQUIPMENT

5.10.1 The Licensee shall not install or connect, or permit the installation or connection of, any Terminal Equipment unless the Terminal Equipment is (a) type approved, or otherwise permitted by the Authority, (b) type approved by a recognized telecommunications equipment type approval agency or a recognized telecommunications equipment testing laboratory in a member country of the Organisation of Economic Cooperation and Development (OECD). 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.

5.11 SERVICE COMMENCEMENT CERTIFICATE

5.11.1 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 service commencement certificate evidencing that the Authority is satisfied that the Licensee has established the Licensed System, and is able to provide the Licensed Services including Mandatory Services, in accordance with the License.

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

PART 6 RELATIONS WITH CUSTOMERS

6.1 STANDARD CONTRACT OF SERVICE

- 6.1.1 The Licensee shall submit a standard contract of service, for use with its non-commercial customers, for approval by the Authority, before commencement of its 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 sub clause 6.2.1, and it contains the terms and conditions that are not unduly burdensome on non-commercial customers.
- 6.1.2 The standard contract, as approved by the Authority, shall apply to all consumers that obtain Mobile Cellular Telephone Service from the Licensee.
- 6.1.3 Prior to providing Mobile Cellular Telephone Service to non-commercial customers, the Licensee shall enter into a contract with such customers in accordance with the standard form contract approved by the Authority.
- 6.1.4 Upon application by the Licensee, the Authority may waive compliance by the Licensee with the provisions of sub clause 6.1.3 above herein subject to such terms and conditions as the Authority may impose.
- 6.1.5 The Licensee may enter into agreements with commercial customers for the provision of Licensed Services on terms that are negotiated between the Licensee and such customers.

6.2 CONTENTS OF THE STANDARD CONTRACT OF SERVICE

- 6.2.1 The standard contract shall include, at a minimum, the following terms and conditions:
 - 6.2.1.1 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,
 - 6.2.1.2 Pricing or mechanisms by which prices are determined,
 - 6.2.1.3 Confidentiality of customer information,
 - 6.2.1.4 Refunds or other rebates for service problems or over-billing,
 - 6.2.1.5 Payment terms, including any applicable interest or administration charges,
 - 6.2.1.6 Minimum contract period, and
 - 6.2.1.7 Customer and Licensee rights of termination.

6.3 COMPLAINT SYSTEM

- 6.3.1 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.
- 6.3.2 The Licensee shall make all reasonable efforts to resolve consumer complaints or disputes without delay and without recourse to the Authority.
- 6.3.3 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 Licence, the Authority may settle the dispute. Without prejudice to the appeal and revision rights established in section 7 of the Act, the Licensee shall abide by any resulting decision of the Authority.

6.4 CONTENT AND FORMAT OF BILLS

- 6.4.1 The Licensee may determine the content and format of its bills to customers provided that:

- 6.4.1.1 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

- 6.4.1.2 the Licensee retains in its records information sufficient:

- 6.4.1.2.1 to identify for customers the basis of the amount charged for use of its Telecommunication Services; and

- 6.4.1.2.2 to provide the Authority with an independent quality assurance that the billing process complies with the requirements set out above

- 6.4.2 The Licensee shall maintain appropriate billing processes to enable the Licensee to comply with the billing requirements of conditions in clause 6.4.

- 6.4.3 The above information must be made available to pre-paid customers either in printed or electronic form upon request. The supply of such information may attract a reasonable charge

6.5 CODE OF COMMERCIAL PRACTICE (CUSTOMER CHARTER)

- 6.5.1 The Licensee shall publish within six months of the Effective Date, a code of commercial practices approved by the Authority. The code of practice shall include, at a minimum, provisions covering the following issues:

- 6.5.1.1 A commitment to take steps to remedy service interruptions as soon as reasonably possible and to provide reasonable credits to customers for lengthy outages,

6.5.1.2 Protection of the privacy of information transmitted over the Licensed System,

6.5.1.3 Maintenance by Licensee of the confidentiality of customer information,

6.5.1.4 Procedures for resolving disputes between Licensee and customers, and

6.5.1.5 Availability to customers of information concerning their accounts with the Licensee.

6.5.1.6 Commitment by the Licensee to customers in respect of standard and quality of licensed services.

6.6 PRIVACY OF COMMUNICATIONS

6.6.1 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 the 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.

6.6.2 The Licensee shall take reasonable measures to safeguard its Licensed System from unauthorized interception of communication carried on the Licensed System.

6.7 CONFIDENTIALITY OF CUSTOMER INFORMATION

6.7.1 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:

6.7.1.1 for the process of collection of debts owed to the Licensee,

6.7.1.2 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,

6.7.1.3 by the Licensee's auditors for the purpose of auditing the Licensee's accounts, or

6.7.1.4 for the prevention or detection of crime or the apprehension or prosecution of offenders or as may otherwise be authorised by or under any law of Pakistan.

6.7.2 Licensee shall be permitted to disclose 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.

6.8 HARASSING, OFFENSIVE, UNSOLICITED OR UNLAWFUL COMMUNICATION

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

- 6.8.1.1 Any customer of the Licensee may request (the Requesting Customer) the Authority or other duly authorized authority in Pakistan to authorize the Licensee to monitor calls to the Requesting customer's mobile handset or device.
- 6.8.1.2 The Authority or other duly authorized authority in Pakistan may direct a Licensee to monitor communication to and from a customer's telephone.
- 6.8.1.3 The Licensee shall provide to the Authority the information resulting from the monitoring of the communication to and from a customer's telephone, including the identification number or details of the party or parties that are the source of harassing, offensive fraudulent or unlawful communication and the dates of occurrence of such calls and their frequency; and
- 6.8.1.4 The Authority may direct the Licensee to undertake appropriate action to protect the public from harassing, offensive, fraudulent or unlawful communication. Such direction may require the Licensee to co-operate fully with and/or provide relevant information to such other parties identified as being competent authorities by the Authority in its direction.
- 6.8.1.5 The Licensee shall, at the request of the Authority, terminate service to any customer that is the source of harassing, offensive or illegal communication.

PART 7 TARIFFS

7.1 REGULATION OF PRICES

- 7.1.1 Except as otherwise provided in this license or as required by Law, the Licensee is free to set tariffs for the License Services as it may deem fit

7.2 PUBLICATION OF TARIFFS, NOTIFICATIONS AND DISPLAY OF INFORMATION

- 7.2.1 The Licensee shall comply with all requirements regarding publication of prices, terms, and conditions, notifications and display of information, as established by the Authority from time to time.

PART 8 RELATIONS WITH OPERATORS

8.1. BEHAVIOUR

- 8.1.1 The MVNO shall have good relationship with his parent and other operators in order to meet QoS requirement of PTA

PART 9 INFRACTIONS AND SANCTIONS

9.1 SANCTIONS FOR VIOLATIONS OF THE LICENCE

- 9.1.1 If the Authority determines that the Licensee has violated a provision of this Licence or the Act, Rules or Regulations conditions of this License or any other orders or instructions of the Authorities, the Authority may by order impose one or more sanctions provided in the Act, the Rules and Regulations issued there under.

PART 10 TERMINATION AND AMENDMENT

10.1 TERMINATION OF THE LICENCE

- 10.1.1 The Licence shall remain in force until it is terminated by one of the following events:

10.1.1.1 The term of the Licence expires without renewal,

10.1.1.2 The Licensee agrees to the termination of this Licence, or

10.1.1.3 The Licence is suspended or terminated in accordance with the Act, Rules or Regulations, or the provisions of this Licence.

10.2 AMENDMENT

- 10.2.1 This Licence may be amended by written agreement between the Licensee and the Authority subject to the provisions of the Act, Rules and Regulations.

PART 11 GENERAL

11.1 ASSIGNMENT OF RIGHTS

- 11.1.1 The 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 for any person, without the prior written approval of the Authority and agreement of MNO.

11.2 OWNERSHIP AND CONTROL REPORTING

- 11.2.1 The Licensee shall notify the Authority of the occurrence of any act, agreement or transaction that to its knowledge, directly or indirectly, results in (a) acquisition by a person or a group acting in common of more than 10 per cent of the Voting Interests of the Licensee, or (b) disinvestment by a person or a group acting in common having direct or indirect control of 10 per cent or more of the Voting Interest of the Licensee, of those Voting Interest to any other person or group of persons.

- 11.2.2 The Licensee shall give the notification referred to in sub clause 11.2.1 above to the Authority on the later to occur of (a) one day after the date that the Licensee becomes aware of the act, agreement or transaction, or (b) 30 days prior to the completion of the act, agreement or transaction.

11.2.3 For a period of one year following the Effective date, the Licensee shall take all necessary steps to ensure that no transaction described in sub clause 11.2.1 takes place unless the prior consent of the Authority is obtained

11.3 NO LIABILITY BY THE AUTHORITY

11.3.1 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 the good faith exercise of its powers subject to section 33 of the Act.

11.4 FORCE MAJEURE

11.4.1 Notwithstanding anything to the contrary contained in this License, if the Licensee shall be rendered unable to carry out the whole or any part of its obligations under this License for any reason beyond the control of the Licensee, including but not limited, to acts of God, strikes, war, riots etc, then the performance of the obligations of the Licensee as it is affected by such cause shall be excused during the continuance of any inability so caused , provided that the Licensee has taken all appropriate precautions and reasonable measures to fulfil its obligation and that it shall within 14 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 it's consequences.

11.5 COMMUNICATION WITH THE LICENSEE

11.5.1 The Licensee shall maintain on file with the Authority a current address 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 Licence 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.

PART 12 INTERPRETATION AND DEFINITIONS

12.1 INTERPRETATION

12.1.1 In this Licence, words importing the singular shall include the plural and vice versa.

12.1.2 The headings in this Licence shall not affect its interpretation.

12.1.3 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 or modified from time to time.

12.2 DEFINITIONS

12.2.1 The words and expressions used herein but not defined shall have the same meaning as are respectively assigned to them in the Act, the Rules and Regulations and Licenses

issued thereunder. Unless the context otherwise requires, the following terms used in this Licence shall have the meanings indicated below:

“Act” means The Pakistan Telecommunication (Re-organization) Act 1996.

“Authority” means the Pakistan Telecommunication Authority established under section 3 of the Act.

“Basic Public Telephone Access Service” means a Telecommunications Service through Parent MNO providing access to the PSTN 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” means the Frequency Allocation Board.

“Control” means control in any manner that results in control in fact of more than 10% or more, whether directly through ownership of shares or indirectly through an agreement, arrangement or otherwise, or indirectly through an agreement or arrangement involving next of kin.

“Effective Date” means the date on which this Licence is issued by the Authority and appearing on the first page of this Licence, which date may be 30 days after the Authority receives from the Licensee all initial fees described in sub clause 4.1.1.1.

“Federal Government” means the Federal Government of Pakistan.

“Financial Year” means the period of twelve (12) months in respect of which the Licensee is required to make up its Annual Report and Audited Accounts under the Companies Ordinance, 1984.

“Freephone Service” means the service of routing a telephone call with a non-geographic number to a hidden geographic or mobile number, with no charge to the calling party.

“ITU” means the International Telecommunications Union.

“Licence” means this Licence, the terms and conditions applicable thereto, and any amendments thereto.

“Licensed Services” means the Mandatory Services and the Optional Services.

“Licensed System” means the Telecommunication Systems which are in existence and operational or installed or otherwise provided, maintained and/or operated by the Licensee through Parent MNO now and at any time and from time to time for the purpose of providing Licensed Services by whatever means.

“Long Distance” means end to end communication between points that are (i) located in different Regions or (ii) such other distance apart as the Authority may by Regulations specify and the same is applicable through Parent MNO.

“Long Distance and International Licensee” means a Licensee licensed to offer end to end communication between points that are (i) located in different Region or (ii) located in Pakistan and outside of Pakistan or (iii) such other distance apart as the Authority may by Regulations, specify and the same is applicable through Parent MNO.

“Mandatory Services” means the Telecommunications Services that the Licensee must provide under this Licence, and which are described in sub clause 1.1.2 of the License.

“Mobile Communications Service” means a wireless-based Telecommunications Service where the Terminal Equipment may be connected to the Telecommunications System by wireless means and used while in motion.

“Mobile Numbering Portability” means a facility provided by any licensed provider of Mobile Services to another which enables any User to whom a telephone number has been assigned to continue to be provided with Mobile Services using the same number irrespective of the identity of the service provider providing the service;

“Mobile Virtual Network Operator (MVNO)” means a person who has no license to operate a mobile Telecommunication Network and no frequency assignments, but who will provide Mobile Services to his own users by means of entering into arrangements with a Licensed Operator of a mobile Telecommunications Network for the provision to him of capacity and facilities on that network.

“Mobile Network Operator(MNO)” means a company who has the license to provide Mobile Licensed Telecom services within Pakistan as per clause 1.1

“National Numbering Scheme” means the scheme administered by the Authority which sets out the sequence of numbers or other characters which shall be used to route telephony traffic to specific locations;

“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 through parent operator.

“Network Termination Point” means any point or node forming part of Licensed System to which users may connect to the Licensed System by means of a wireless link and Public Telecommunication Network and are necessary at which Terminal Equipment may be connected through parent operator.

“Operator” means any person authorized by a licence issued by the Authority to provide Telecommunication Services or to establish, maintain and operate a Telecommunication System through parent operator.

“Parent MNO” means the Mobil Network Operator with which licensee will have commercial agreement for the provision mobile communication services on its telecommunication System .

“Premium Rate Service” means the service of routing a telephone calls with a non-geographic number to a hidden geographic or mobile number, with a premium rate charge to the calling party through Parent MNO.

“Public Mobile Payphone Services” means the commercial provision to the public of mobile Public Telephone Access Services through Parent MNO.

“Region” means a telecommunications administrative region, as determined by the Authority.

“Regulations” means all or any regulations issued from time to time by the Authority.

“Rules” means all or any rules issued from time to time by the Federal Government under the Act.

“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, electro-magnetic, electronic, optical or optio-electronic system, whether or not the intelligence is subjected to re-arrangement, computation or any other process in the course of the service through Parent MNO.

“Terminal Equipment” means equipment which is directly or indirectly connected to any Network Termination Point and which is used directly by users in order to access Telecommunications Services.

“USO” means universal service obligation as defined in any Regulations issued by the Authority from time to time;

“Voting Interest” means, in respect of

- (a) a corporation with share capital, means the vote attached to a voting share,
- (b) a corporation without share capital, means an interest that entitles the owner to voting rights similar to those enjoyed by the owner of a voting share,
- (c) a partnership, a trust, an association or a joint venture, means an ownership interest in the assets of it that entitles the owner to receive a share of the profits of it, to receive a share of the assets of it on dissolution and to participate directly in the management of it or to vote on the election of the persons to be entrusted with the power and responsibility to manage it, and
- (d) a not-for-profit partnership, trust, association or joint venture, means a right that entitles the owner to participate directly in the management of it or to vote on the election of the persons to be entrusted with the power and responsibility to manage it.

APPENDIX - 1

QUALITY OF SERVICE STANDARDS

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

Indicators	Minimum target		Remarks
	Short term (3 years)	Long term (3 years on)	
Service Provisioning			
Service Activation Time			
Post-Paid	2hrs.	1hr.	
Pre-paid	1hr.	30 min.	
Service Quality			
Network Down-time (Average across all sites) ¹	< 2% in any 1 calendar month < 1% over a 1 rolling year period	< 1% over a 1 month period	This relates to the percentage of time network is operating. The objective is to ensure maximum operability of network to the consumers.
Grade of Service (end to end blocking)	<= 4% in busy hour	<= 2% in busy hour	
Community Isolation / Cell-Site Down Time (Average Across All Sites) ²	Not longer than 48 hours	Not longer than 24 hours	
Call Connection Time ³	<= 7	<= 5	
Call Completion Ratio ⁴	>96%	>98%	
Advanced Service Interruption Notice	>=1 day	>=3 days	This notice is normally given when planned system

¹ Network Down-time (Average across all sites) mentioned in MCP-MoIT and is opposite of what was previously mentioned as Network Operability in the QoS document released by PTA

² Cell-site Down-time (for each site) mentioned in MCP-MoIT and is same as what was previously mentioned as Community Isolation in the QoS document released by PTA except for the values

³ Call Connection Time mentioned in MCP-MoIT and is same as what was previously mentioned as post Dialling Delay in the QoS document released by PTA

⁴ Call Completion Ratio mentioned in MCP-MoIT and is same as what was previously mentioned as Service Retainability in the QoS document released by PTA except for the values

			enhancements, updates or upgrades are to be performed.
Call Quality ⁵	MOS ⁶ Score > 3	MOS Score > 3	This is derived from a scale of 1-5, where 1 stands for poor quality and 5 for excellent. Voice quality is determined through Mean Opinion Score methodology as recommended by ITU-T in recommendation number P.800.
Indicators	Bench Mark		Remarks
	Short term (3 years)	Long term (3 years on)	
Customer's Complaints			
Customer Complaints/100 Subscribers / Month			
Complaints Regarding Billing	<=2 %	<=1 %	
Complaints Regarding Network Operability	<=3 %	<=1 %	
Complaint Turn Around Time			
%age of Billing Complaints Resolved			
Within 24 hrs.	95 %	98 %	
Within 48 hrs.	98 %	100 %	
%age of Complaints (Regarding Network Operability) Resolved			
Within 24 hrs.	92 %	95 %	
Within 48 hrs.	95 %	100 %	
Billing Service			
Billing Complaints	0.2 per 100 bills issued	0.2 per 100 bills issued	Applies to complaints which are valid
Reconnection Time After Clearing Arrears	30min.	15min.	The time it takes in minutes to reconnect the service once the due payment has been made by the customer
Operator Service			

⁵ Call Quality mentioned in MCP-MoIT and is same as what was previously mentioned as Customer Perceived Connection Quality in the QoS document released by PTA except for the values

⁶ Bit Error Rate measurements can be used as a proxy

Operator Assistance Response Time Within 30sec.	>=96%	>=98 %	There should be a queuing system for all operator attended calls i.e., no call should receive a busy signal; rather each call is queued and maximum calls (as shown in the given benchmark) should be answered within 30 seconds.
Customer Complaint Response Time Within 30sec.	>=96%	>=98 %	
Directory Assistance Response Time Within 30sec.	--	>=98 %	
Calls to Emergency Numbers Handled Within 30 Seconds	>98%	100%	
Directory Assistance			
Updated Directory Assistance	Provisioning of redirect mechanism to PTCL directory	Provisioning of updated directory assistance	Cellular operators are currently not providing directory assistance to their subscribers. As cellular operators have a relatively smaller network, the provisioning of directory service is not proposed for them in the short term. However we propose that all the cellular operators should provide redirect service mechanism for accessing PTCL directory assistance to their subscribers. In the long-term period, they are required to provide their own directory assistance service
Network Management & Security			
Voice Security during Connection		Yes	
Personal Information Security		Yes	
Provisioning of Centralized Customer Complaint Database		Yes	
Provisioning of Computerized Directory Access System		Yes	
Probability of Fraud on User's Account		No	Operator should demonstrate to PTA that fraud controlled procedures are in place.



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

<http://www.pta.gov.pk>

Application No (to be filled by PTA)

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CHECK LIST FORM
(TO BE SUBMITTED WITH THE APPLICATION)

#	Items	Check (√) if attached	# of Pages	for PTA use only
1.	Applicant(s) profile; see 'CMVNO FORM-B'			
2.	Evaluation Fee; see 'CMVNO fee doc-C'. Submit proof of deposit			
3.	Certificate of Incorporation (including Memorandum & Article of Association and Form-29 and Form-A duly certified by SECP)			
4.	a. Attested Copies of Computerized National Identity Card for Pakistani national shareholder directors. b. Attested copies of Passports of foreign nationals submitted through Ministry of Foreign Affairs after security clearances.			
5.	Undertaking on duly notarized stamp paper for: a. That the Company or its Directors have never been declared insolvent by any court of law. b. That the Directors of the company have never been convicted by a court of law for major offences or unethical/immoral turpitude (other than minor offences). c. That neither the applicant Company nor its shareholder directors are defaulter(s) of PTA.			
6.	Bio-data of key management personnel			
7.	Brief Description of the Applicant's Business Plan			
8.	Technical Plan			
9.	Copy of proposed Service Level Agreements with the Access / Infrastructure Provider/ customers.			



License Fee² Framework

License Processing Fee (non-refundable): Rs. 50,000.00

Initial License Fee (ILF)

CMVNOS (Nationwide) US\$ 10,000 or equivalent Pakistan Rupees

ALF, USF & R&D will be as per term and condition contains in the license

² All Bank Drafts to be deposited at National Bank of Pakistan, Marriott Hotel Branch, Islamabad, in the name of 'Pakistan Telecommunication Authority Fund' A/C No. NIDA-11.

1) Fees

a) Initial License Fee

The Licensee shall pay the initial license fee to the Authority as given in the table on page (4) of this document) prior to the Effective Date or as modified through regulations from time to time by the Authority.

b) Annual Fees

- i) The MVNO Licensee shall pay to the Authority an amount equivalent to 0.5 % of the Licensee's annual gross revenue from Licensed Services minus inter-Operator payments and parent MNO related payments as annual license fee.. However initial License fee, collection of charges, penalties imposed by PTA, if any, and leased line charges shall not be deducted from the gross revenue;
- ii) The Licensee shall contribute Universal Service Fund to the Authority, an amount equivalent to 1.5 % of the Licensee's annual gross revenue from Licensed Services minus inter-operator payment and related Parent operator (MNO) mandated payments. However, initial License fee, collection charges, penalties imposed by PTA, if any and lease line charges shall not be deducted from the gross revenue;
- iii) The Licensee shall contribute an amount equivalent to 0.5 % of the Licensee's annual gross revenue from Licensed Services minus inter-operator payment and related Parent operator (MNO) mandated payments to the Research and Development Fund. However, initial License fee, collection charges, penalties imposed by PTA, if any and lease line charges shall not be deducted from the gross revenue. for the most recently completed Financial Year; and
- iv) In addition to any other remedies available to the Authority, late payment fee shall incur an additional fee calculated at the rate of 2% per month on the outstanding amount, for every day or part thereof from the due date until paid.

c) Other

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.

2) Payment Mode

- a) The fee(s) may be deposited in the PTA Collection Account maintained with National Bank of Pakistan, Islamabad.
- b) The Licensee may also pay through crossed Cheque, Pay order or Bank draft drawn in favor of Pakistan Telecommunication Authority.
- c) The Fee(s) may also be remitted through Telegraphic Transfer or any other electronic mode under intimation to Director Licensing.