

Standard Operating Procedure (SOP) for Transfer of Licenses and Change in Management/Shareholding

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") and regulation 21 of the Pakistan Telecommunication Authority (Functions & Powers) Regulations, 2006 (the "Regulations"), Pakistan Telecommunication Authority (PTA) is empowered to regulate the transfer of licenses, which includes cases of transfer of ownership and license etc. Hence all licensees are under an obligation to seek a prior NOC from PTA before the change in control, substantial ownership interest or transfer of license.
- 1.2 Pursuant to sub-regulation (6) of regulation 21 of the PTA (Functions & Powers) Regulations, 2006 the Authority may prescribe its procedures/SOPs for regulating the transfer of license and control of management.
- 1.3 The purpose of establishing a Standard Operating Procedure is to streamline and specify each step of action to be taken by the licensees for processing the transfer of ownership and control in management.

2. Application Procedure

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

S. NO	Annex	Purpose
1	A	Change in Control
2	B	Change in Substantial Ownership Interest
3	C	Transfer of License to another Entity

- 2.2 All requests will be made in writing and addressed to Director General (Licensing) Division PTA HQ's F-5/1 Islamabad, as per the checklist.
- 2.3 All applications will be made through Chief Executive Officer or a representative duly authorized by the licensee/company in accordance with the board resolution (attested copy) of the Licensee/Company.
- 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. Three sets of application will be submitted to PTA; one original and two copies, along with **application fee** equivalent to initial processing fee against each type of license held by the applicant, in form of demand draft or challan in favour of PTA.

3. PROCEDURE FOR PROCESSING THE REQUEST

- 3.1 Licensing Division will register each application and assign unique **application number** to it. After initial examination and subject to completion of requirements as per the applicable checklist, an **acknowledgment** will be issued to the applicant:

Provided that in case of **outstanding dues**, payable by the applicant licensee or the entity /licensee to whom the license is proposed to be transferred, the request will only be entertained once the dues have been cleared. In case of court cases, the matter will be pended and processed after finalization of court cases or payment of dues.

- 3.2 In case of deficiency as stated at 3.2 above, application will be returned and considered as not been filed.

- 3.3 Licensing Division, will examine the case as per the applicable check list and in case of any deficiency inform the licensee for its removal, **within ten days** or as specified otherwise, after obtaining input of the relevant divisions to ensure that all deficiencies in the requisite information have been communicated at the address of the licensee.
- 3.5 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.
- 3.6 Subject to fulfillment of all requirements, the matter will be decided within **30 working days** and NOC will be issued accordingly.
- 3.7 In case of transfer of license where spectrum is involved, PTA will intimate **FAB** about proposed change, prior to issuance of NOC.

CHECKLIST-Change of Substantial Ownership Interest

S#	Item	Documents Required
1	Formal written request	Formal written request on company's letterhead from the current 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 with particular reference to the Companies Act,2017 its amendments and SECP's rules, regulations, guidelines etc.
2	Board Resolutions	Certified copy of Board Resolution of the company regarding the proposed change in substantial ownership interest providing consent and approval of the directors to such change
3	Licenses	Details of PTA licenses held by the entity and their status.
4	Undertakings on Stamp paper duly notarized by notary public	<p>a. By existing and proposed management to the extent that both mutually resolve all or any of the disputes arising out in the execution of this deal or in the consequence thereof as well as shall be responsible for all sorts of liabilities; and</p> <p>b. By the existing and proposed management 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 it is not defaulter of any bank.</p>
6	SECP Forms	<p>a. Latest SECP duly certified Forms A, 27,28 (where applicable) and 29 of the company; and</p> <p>b. Draft Form 29 of the company showing the requested change.</p>
7	Resignations (if applicable)	Resignations of Outgoing Directors/Substantial Shareholders.
8	MoU	Where applicable
9	Shareholding of new shareholders	% of shareholding of the new shareholder in the company and % of shareholding of the new shareholder in other companies who are also licensee of PTA.
10	Clearance of dues as per the	Evidence of Proof of payment regarding clearance of dues of the company and all the other companies where the new

S#	Item	Documents Required
	license(s) issued under the Act	shareholder is also part of their directors/shareholder/senior management.
11	Others	Any other requirement by PTA.

CHECKLIST - Change in Control

S#	Item	Documents Required
1	Formal written request by the licensee (Transferor)	Formal written request on company's letterhead from the current 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 particularly Companies Ordinance, 1984 its amendments and SECP's rules, regulations, guidelines etc.
2	Board Resolutions	Certified copies of Board Resolutions of both the parties regarding the proposed change in management/control from Transferor to Transferee . This should specify nature of change, whether transfer of shares, directorship, ownership or any other and details of the said transaction, providing consent and approval of the directors to such change
3	Licenses	Complete details of licenses issued PTA held by the applicant and their status.
4	Technical Details detail of proposed transferee	Technical strength of new management including: a. Bio- data of the technical persons who will handle the technical part of the company along with existing profile of the company; and b. Evidence of technical capability and its track record.
5	Credentials of the new management	a. Duly certified true copies of NTN, CNIC, Passport (In case of foreign national) of the proposed directors; b. Nationality of the proposed directors and history and track record; c. Memorandum & Articles of Association; d. % of shareholding of the new shareholder in the company and % of shareholding of the new shareholder in other companies who are also licensee of PTA; and e. Details of holding/parent company along with all its Directors.
6	Financial Details	Financial feasibility report inclusive of:- a. 3 to 5 years projected financial statements; b. Statement showing capital cost of project; c. Statement showing financial resources of the company for the project;

S#	Item	Documents Required
		<p>d. Equity including bank balance/cash, saving certificate, shares, moveable and immovable property; and</p> <p>e. Debt including bank, leasing, relatives/friends or others (specify)</p>
7	Clearance of dues as per the license(s) issued under the Act	Proof of payment regarding clearance of all dues of all the dues of the applicant company/companies.
8	Undertaking on Stamp paper duly notarized	<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 control and any consequence thereof as well 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; and</p> <p>c. By Transferor to the extent that no criminal or civil proceedings or inquiries are pending before any court, tribunal or government organization against the company as well as any of its directors and that Transferor is not defaulter.</p>
9	SECP Forms	<p>a. Latest SECP duly certified Form 29, Form-A, Form-7; and</p> <p>b. Contents of proposed Form 29 of the company showing the reflecting the change.</p>
10	MoU	MoU/Agreement between both parties including share purchase agreement.
11	Resignations	Resignations of Outgoing Directors/Shareholders
12	Business Plan (Technical + Financial)	If the proposed change will also result in change in business plan (including its technical and financial plan) of the licensee, then the licensee must provide to the Authority the new business plan.
13	CCP NOC	NOC from Competition Commission of Pakistan (CCP) for proposed change in Ownership of the Company. (Not applicable on non-license holder of PTA)
14	Others	Any other requirement by PTA.

CHECKLIST - Transfer of License to another Company

S#	Item	Documents Required
1	Formal written request by the licensee (Transferor)	Formal written request on company's letterhead from the current chief executive/authorized representative providing background, intent, justification for the proposed transfer.
2	Board Resolutions	Certified copies of Board Resolutions of both the companies regarding the proposed transfer of license from Transferor to Transferee .
3	Licenses	Details of licenses granted by PTA being held by the applicant and their status.
4	Technical Details detail of proposed transferee	Technical strength of new management including: a. Bio- data of the technical persons who will handle the technical part of the company along with existing profile of the company; and b. Evidence of technical capability and its track record.
5	Credentials of the new management	a. Duly certified true copies of NTN, CNIC, Passport (In case of foreign national) of the proposed directors; b. Nationality of the proposed directors and history and track record; c. Memorandum & Articles of Association; d. % of shareholding of the new shareholder in the company and % of shareholding of the new shareholder in other companies who are also licensee of PTA; and e. Details of Holding/ Parent Company including its Directors/Shareholders.
6	Financial Details	Financial feasibility report inclusive of:- a. 3 to 5 years projected financial statements; b. Statement showing capital cost of project; c. Statement showing financial resources of the company for the project; d. Equity including bank balance/cash, saving certificate, shares, moveable and immovable property;

S#	Item	Documents Required
		e. Debt including bank, leasing, relatives/friends or others (specify).
7	Clearance of dues as per the license(s) issued under the Act	Evidence of Proof of payment regarding clearance of dues of all the dues of the company and its related entities.
8	Undertaking on Stamp paper duly notarized	<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 all outstanding dues/ liabilities will be the responsibility of the transferee;</p> <p>b. By Transferee to accept and own unconditionally all the liabilities of the customers of Transferor; and</p> <p>c. By Transferor to the extent that no criminal or civil proceedings or inquiries are pending before any court, tribunal or government organization against the company as well as any of its directors and that Transferor is not defaulter .</p>
9	SECP Forms	Latest SECP duly certified Form 28,29, Form-A, Form-7 of Transferor and Transferee
10	MoU	MoU/Agreement between both parties including share purchase agreement.
11	Business Plan + (Technical Financial)	The transferee shall provide its business plan (including its technical and financial plan) for provision of licensed services.
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.