

PAKISTAN TELECOMMUNICATION AUTHORITY

Islamabad, the 11th July, 2007

S. R. O. 692(I)/2007.—In exercise of the powers conferred under clause (O) of sub-section (2) of Section 5 of the Pakistan Telecommunication (Reorganization) Act, 1996 (Act XVII of 1996) Pakistan Telecommunication Authority is pleased to make the following Regulations:

PART-I**PRELIMINARY**

1. **Short Title and Commencement.**—(1) These Regulations shall be called as “Class Value Added Services Licensing and Registration Regulations 2007”.

(2) They shall come into force at once.

2. **Definitions.**—(1) In these Regulations unless there is anything repugnant in the subject or context,—

- (a) “**Act**” means the Pakistan Telecommunication (Re-organization) Act, 1996 (XVII of 1996);
- (b) “**Applicant**” means any defined class of persons, which applies for a license to provide Class Value Added Service or Registered Service under these Regulations;
- (c) “**Access Provider**” means LDI, LL and Mobile Licensee;
- (d) “**Broadband**” means a communication channel having speed of 128 kilobit per second or more, capable of carrying a large portion of electromagnetic spectrum and high volumes of data traffic;
- (e) “**Call Center**” means a centralized telecommunication terminating or originating office established by a licensee to provide care services for its customers;
- (f) “**Class License or Class Registration**” means any License or Registration Certificate issued under these Regulations for a class of telecommunication services;
- (g) “**Data Service**” means a telecommunication service that involves electronic transfer of non-voice content;

- (h) **“Interconnection”** shall have the same meaning as assigned in Pakistan Telecommunication Rules 2000;
- (i) **“License”** for the purposes of these Regulations; means an authorization granted by the Authority for the provision of any class of Value Added or Registered Service, Registration Certificate issued by the Authority for the Registered Services shall be deemed to be a license for the purpose of Section 20(1) of the Act;
- (j) **“Licensee”** means holder of License issued under these Regulations;
- (k) **“Local Loop (LL) Licensee”** means a person licensed under the Act to establish, maintain and operate a public fixed switched network for the provision of local exchange telecommunication service, and includes Pakistan Telecommunication Company Limited, National Telecommunication Corporation and licensee providing service using Wireless in Local Loop;
- (l) **“Long Distance and International (LDI) Licensee”** means a person licensed under the Act to establish, maintain and operate a public fixed switched network for the provision of nation-wide long distance and international telephony service and includes Pakistan Telecommunication Company Limited and National Telecommunication Corporation;
- (m) **“Mobile Cellular Licensee”** means a person licensed under the Act to establish, maintain and operate a public mobile switched network to provide wireless-based telecommunication service where the terminal equipment may be connected to the telecommunication system by wireless means and used while in motion, but excluding a person that is licensed to provide service using Wireless in Local Loop;
- (n) **“Person”** includes both natural and juristic persons;
- (o) **“Registered Services”** means those telecommunication services which do not require scarce resource;
- (p) **“Regulation”** means these Regulations;
- (q) **“SMP Operator”** shall have the same meaning as assigned in Pakistan Telecommunication Rules 2000;

- (r) **“Value Added Services”** means all telecommunication services excluding the core telecommunication services of Access Providers as determined by the Authority from time to time; and
- (s) **“Voice Service”** means a telecommunication service that involves two-way live human voice in digital form or otherwise, over any public fixed switched network or between base stations or switches or nodes of any public mobile switched network;

(2) The words and expressions used but not defined in these rules shall have the same meanings as assigned to them in the Act.

PART-II

LICENSING

2. **Open Licensing.**—(1) The license or registration under these Regulations for the Value Added Services shall be open, non-discriminatory and non-exclusive; however the Authority for administrative purposes may fix time slots in a year for receiving and processing applications.

(2) The decision of grant or refusal of license shall be communicated by the Authority within 07 working days of receiving of the application in the prescribed form complete in all respect or closing date of receiving applications, whichever is later.

3. **Technology Neutral.**— All Licenses and Registration Certificates issued under these Regulations shall be technology neutral.

4. **Category of licensees.**— Under these Regulations, the Authority may issue following authorizations for Value Added Services:

- (a) Class License for Voice Value Added Services;
- (b) Class License for Data Value Added Services; and
- (c) Registration Certificate for Registered Services.

5. **Application for grant of license.**— (1) An application for the grant of a license or Registered Services to provide Value Added Services shall be made in the form set out in Schedule ‘A’ to these Regulations.

(2) An application under sub-regulation (1) shall be made in original and shall be addressed to the Director General Licensing of the Authority.

(3) An application under sub-rule (1) shall, where applicable, be accompanied by the documents and details of information set out in Schedule 'A' 'check list form'.

(4) An application under sub-rule (1) shall be accompanied by the payment of fees in the amount prescribed under these Regulations in Schedule 'B'.

(5) An Applicant shall have right to withdraw the application made under sub-regulation (1) at any time before grant of a license.

6. **Grant of license.**—(1) The Authority may grant license or Registration Certificate to any applicant, who fulfills the open, transparent and non-discriminatory eligibility criteria given by the Authority from time to time.

(2) The Authority shall consider all applications on merits and in determining whether or not to grant a license or registration certificate, the Authority shall take into account the following factors, namely:—

- (a) financial and economic viability of the applicant;
- (b) applicant's experience in telecommunications and relevant past history;
- (c) technical competence and experience of applicant's management and key members of staff and local participation in the business; and
- (d) nature of the services proposed and the viability of the applicant's business plan including its contribution to the development of the telecommunications sector.

(3) The Authority may reject an application; if it appears that the grant of the License or Registration Certificate shall threaten or potentially threaten national security.

7. **Procedure for grant of a License.**—(1) On receipt of an application for grant of license or Registration Certificate, the Authority shall examine the application and suitability of grant of License or Registration Certificate.

(2) The Authority shall not reject any application without giving a reasonable opportunity of being heard. In case the application is incomplete, the Authority may return the application without rejecting it or may require the applicant to make up the deficiency within given time.

(3) In case the Authority decides to reject the application, it shall give detailed reasons of rejection.

8. **Duration and renewal.**— (1) Subject to the Act, a Class License shall be granted for a period of fifteen (15) years and Registration for a period of five (5) years, after the expiry of the initial term the license shall be renewed on terms and conditions consistent with the policy of the Federal Government and the Regulations in force at the relevant time.

(2) The Registration issued by the Authority shall not be renewable. Upon completion of the period of five (5) years, a fresh application for Registration may be submitted to the Authority in accordance with regulation (6)

9. **Scarce resource.**— (1) All Licensee excluding holders of Registration Certificate, shall be entitled to apply for scarce resources as per the provisions of the Act and applicable regulations, however the Access Providers shall be given preference in the allotment or allocation of scarce resources.

(2) In case of allocation of scarce resource to the licensee, the Authority may impose non-discriminatory terms and conditions for utilization of the scarce resource in addition to the terms and conditions of the license.

PART-III

FEES

10. **Initial Fees.**— (1) The applicant shall pay the appropriate initial license fee and processing fee to the Authority in the prescribed manner with the application.

(2) The Authority shall return the initial license fee of the unsuccessful applicant within seven (07) days of the rejection of the application.

11. **Annual Fee.**— (1) The Licensee shall pay the annual license fee to the Authority, calculated on the basis of 0.5% of the Licensee's annual gross revenue from Licensed Services for the most recently completed Financial Year minus Inter-operator payments from the effective date of the license:

Provided further that annual charges shall be payable for subsequent years.

(2) In case the License is for personal use, the Licensee shall pay a flat annual fee of Rs.5000 per annum to the Authority.

(3) There shall be no annual fee for Registered Services.

(4) The Licensee shall pay the annual fee to the Authority within 120 days of the end of the Financial Year to which such fee relate and shall submit the audited financial statements in support of its calculations of annual fee and contributions payable. The Authority shall have the right to audit such statements at any time.

(5) 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.

12. **Other Fees.**—(1) All fees for the scarce resources including short codes shall be paid by the Licensee to the Authority as per applicable Regulations, auction benchmark or determination.

(2) The Licensee shall also promptly pay to the Authority all fees required to be paid under the Act, Rules and Regulations.

13. **USF Contribution.**—There shall be no condition in the licenses and registration certificates issued under these Regulations to make contribution to the Universal Service Fund.

14. **R&D Contribution.**—There shall be no condition in the licenses and registration certificates issued under these Regulations to make contribution to the Research and Development Fund.

15. **Payment Mode.**—(1) All fees shall be paid by the Licensees by depositing in the designated accounts of the Authority or by any other mode prescribed by the Authority from time to time.

(2) The Licensee shall also inform the Authority about the payment made through the Director Licensing.

PART-IV

RIGHTS AND OBLIGATIONS OF LICENSEES

16. **Rights granted to licensee.**—(1) A licensee shall have the right to establish, maintain and operate a telecommunication system excluding its own Public Switched Network in the licensed territory and for the period stipulated by the Authority in the License, in accordance with the provisions of the Act and these Regulations.

(2) A licensee shall have the right to provide Licensed class of Value Added Services mentioned in Schedule 'E' in the licensed territory and for the period stipulated by the Authority in the License in accordance with the provisions of the Act and these Regulations.

17. **Conditions of license.**—(1) A license granted under these Regulations shall be subject to the Act, Rules and Regulations framed thereunder and these Regulations.

(2) A license granted in accordance with the provisions of the Act and these Regulations shall be subject to the restrictions on transfer of the license and on change of ownership of the licensee and such further restrictions as are contained in Rule 11 of the Pakistan Telecommunication Rules 2000.

(3) A license granted in accordance with the provisions of the Act and these Regulations shall be subject to the conditions applying to all licensed services contained in Schedule 'F' to these Regulations or such other conditions as the Authority may establish from time to time not inconsistent with the provisions of these Regulations and the Act.

18. **Exception to license obligation.**—(1) Licensee of Data Services and Registered Services shall be entitled to establish Call Center to serve their respective customers irrespective of the fact that their licenses are not for voice service.

PART-IV

MISCELLANEOUS

19. **Addition of new services.**—(1) The Authority shall have the power to add new services to the classes of Value Added Services mentioned in Schedule 'E' and upon such addition the Licensee of that class of Value Added Services shall be entitled to offer that service without any formal authorization.

(2) In case a licensee wants to provide any service which although falls in the category its class license but does not find mention in Schedule 'E' it shall seek prior approval of the Authority before offering such service.

20. **Tariff Regulation.**—The tariff of the Licensee shall not be regulated till it attains the status of SMP as described in the Pakistan Telecommunication Rules 2000.

21. **Interconnection.**—(1) All Licensees having license under these Regulations shall have the right to request interconnection to all or any Access Provider on reasonable terms and conditions.

(2) In case of refusal by an Access Provider the Licensee may invoke the jurisdiction of the Authority, which shall decide the matter after hearing the Parties.

(3) The Interconnection between the Telecommunication System of the Licensee and the Telecommunication Systems of other Licensees and Access Providers shall be governed by the Pakistan Telecommunication Rules, 2000 and the Interconnection Guidelines issued by the Authority from time to time.

22. **Existing licensees.**— All existing licensees excluding Access Providers and Infrastructure Licensees may request the Authority to convert their existing licenses free of cost to the comparable category of class license for the remaining period, if the initial fee earlier paid by them is more than the initial fee for the requested category.

(2) In case already paid fee was less than the initial fee prescribed under these Regulations then the Licensee shall pay the difference as per the following formula:

The initial fee already paid by the Licensee shall be divided into total number of years. The initial fee prescribed under these Regulations shall be divided into fifteen 15 years and per year amount already paid will be subtracted from the Initial fee prescribed under these regulation for each year. The Licensee shall pay the difference for the remaining years of his previous license.

23. **Repeal.**— Following Regulations are hereby repealed:

- (a) Amateur Radio Regulations 2004;
- (b) Audiotex Service Regulations 2004;
- (c) Burglar Alarm Service Regulations 2004;
- (d) Card Payphone service Regulations, 2004;
- (e) Non-voice Communication Network Service Regulations, 2004;
- (f) Registration of Satellite Service Providers Regulations 2004;
- (g) Trunk Radio Services Regulations 2004; and
- (h) Vehicle Tracking Service Regulations 2004.

Application No. (to be filled by PTA)

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CHECK LIST FORM
(To Be Submitted With the Application)

No.	Items	Check (✓) if attached	No. of Pages	PTA use only
1.	Category Form; see 'CVALS cat (1.0) FORM-B'			
2.	Applicant(s) profile; see 'CVALS pfl (1.0) FORM-C'			
3.	Evaluation Fee; see 'CVALS fee (1.0) doc-E'. Submit proof of deposit			
4.	Certificate of Incorporation (including Memorandum & Article of Association and Form-29 duly certified by SECP)			
5.	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.			
6.	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.			
7.	Bio-data of key management personnel.			
8.	Brief Description of the Applicant's Business Plan Including Bank statement in the name of the company, 3 to 5 years business plan (projected balance sheet, profit and lost account, cash flow statement, project cost,)			
9.	Network Plan.			
10.	Copy of proposed Service Level Agreements with the Access/Infrastructure Provider/customers.			

Note: On satisfactory completion of the above stated formalities by the applicant, PTA will issue the Class Value Added Service Licenses (CVAS) within 07 days.

A Defaulter of PTA can't apply for a new Registration or CVALS of any type, The shareholders of the defaulter company cannot have ownership of any amount in the new company applying for any telecom service.

Application No. (to be filled by PTA)

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Category Selection Form

(Please fill items I through III below & submit with the application)

I. Commercial or Not-For-Profit II. Type of License or Registration (*choose any one*) Data Class Value Added License Service

[Data rate: ANY]

[Services: Any number of service types², through PTA licensed operators, may be chosen. In future, relevant additions to the services may be made by the Authority from time to time] Voice Class Value Added License Service[Voice only services³, through PTA licensed operators] Class Value Added Registered Service⁴III. Province(s) selected⁵ (*check as many as desired*)Balochistan Sindh NWFP Punjab

Or

Nationwide ² Vehicle Tracking, Data Service, Internet Service or as added by the Authority from time to time.³ Payphone and Premium Rate Services or any other related service which may be added by the Authority from time to time.⁴ Registered Services include: Video Conferencing; Voice Mail; SMS Aggregator; Content Service Provider; or any other related service as added by the Authority from time to time.⁵ Selection desired for licensed value added services only. All registrations are for nationwide services.

Schedule B

License Fee Framework

License Processing Fee (non-refundable): Rs. 5,500

	Initial License Fee	
Class License	Commercial Use	Own Use
CVALS per Province ⁶	Rs. 100,000	Rs. 50,000
CVALS (Nationwide)	Rs. 300,000	Rs. 150,000

Registration Processing Fee (non-refundable): Rs. 10,000

Registration	Registration Fee
For 5 years only	10,000

SCHEDULE E

Class Value Added Services

1. **Voice**
 - (a) Card Payphone Service
 - (b) Premium Rate Service

2. **Data**
 - (a) Internet Service
 - (b) Data service
 - (c) Vehicle tracking System

3. **Registered Services**
 - (a) Voice Mail
 - (b) SMS Aggregator
 - (c) Video Conferencing
 - (d) Content Service Provider

⁶50% less for Balochistan.

Schedule F/1

Registration No. _____

Date: _____

**Registration Certificate of
Class Value Added Registered Services**

The Pakistan Telecommunication Authority is pleased to register M/s < ___ name _____ > of < _____ address _____ > for providing Class Value Added Registered service as mentioned in "Class Value Added Services Licensing and Registration Regulations 2007" to:

- a. Extend services to all, in a non-exclusive manner, free of all discriminations;
 - b. Abstain from providing any telecom service without obtaining prior license;
 - c. Promptly provide all information, as and when desired by the Authority, which helps it to quantify proliferation of the technologies or services whether technical, regulatory or financial in nature;
2. This registration is valid for a maximum period of five (5) years from its last registration. One (1) month prior notice to the Authority is required for renewal of this Registration.
 3. M/s < _____ name _____ > shall provide the Registered Services in accordance and in compliance with the laws of the Islamic Republic of Pakistan.
 4. M/s < _____ name _____ > shall, in the course of provision of Registered Services, comply with the provisions of the Pakistan Telecommunication (Reorganization) Act 1996, Rules and Regulations framed thereunder and directions of the Authority, which may be issued from time to time.

5. Where the provisions of this Registration Certificate are silent or ambiguous, on any issue irrespective of its nature, Authority's decision shall be final and binding.

(for & on behalf of the Authority)

< Applicants name > < Name of the DG >
 < Applicants title > Director General <Wln or Wls>
 < Applicants address > P.T.A. Headquarters

Schedule F/2

PAKISTAN TELECOMMUNICATION AUTHORITY

PTA Headquarters Building, F-5/1 Islamabad, Pakistan

(www. pta.gov.pk)

License No. < _____ > Dated: < _____ >

LICENCE TO ESTABLISH, MAINTAIN AND OPERATE TYPE <Voice or Data> VALUE ADDED SERVICES

In exercise of the powers conferred by section 5 of Pakistan Telecommunication (Reorganization) Act, 1996 (hereinafter called the "Act"), the Pakistan Telecommunication Authority (hereinafter called Authority), hereby, grants non-exclusive license to M/s < _____ name _____ > Address _____ > (hereinafter called the "Licensee") to establish, maintain and operate Value Added Services, as mentioned above, on terms and conditions contained in Annexure - I, provisions of existing enactments, including rules and regulations made thereunder and amendments/modifications made thereto together with new enactment as may be considered expedient and necessary from time to time.

This License shall come into force on the date of issuance and shall be valid for the period of fifteen years duration subject to payment of such fee(s) as the Authority may specify from time to time.

This license may be renewed for another term(s) beyond fifteen years on thirty months prior written request of the licensee before expiry of the existing term of the license subject to the terms and conditions applicable at that time.

(For and on behalf of the Authority)

< Applicants name >

< Name of the DG >

Director General <Wln or Wls>

P.T.A. Headquarters, Islamabad

< Applicants title >

< Applicants address >

ERUM LATIF,

Assistant Director (Law & Regulations)