

Notification of Changes to Information Memorandum (Including License Template)

Spectrum Auction for Next Generation Mobile Services (NGMS) in Pakistan 2021

31st August 2021

Sr.	Reference	Existing License Condition	Amended License Condition
1	Clause 1.8.1 (b) of IM and Condition 2.2 of License Template	If the Authority determines that a Licensee possesses SMP in a relevant geographical market, the Licensee shall comply with orders / decisions of the Authority that are intended to prohibit abuse of its dominant position through anticompetitive conduct or to promote competition in respect of that relevant market or markets ancillary thereto, including without limitation orders to produce a Reference Interconnection Offer (RIO) detailing the services and tariff they provide to other licensed operators.	If the Authority determines that a Licensee possesses SMP in a relevant market, the Licensee shall comply with orders / decisions of the Authority that are intended to prohibit abuse of its dominant position through anticompetitive conduct or to promote competition in respect of that relevant market or markets ancillary thereto, including without limitation orders to produce a Reference Interconnection Offer (RIO) detailing the services and tariff they provide to other licensed operators.
2	Table 6 of IM (ASAF) and Condition 4.1.2.4 of License Template	The Licensee shall pay to the Authority an annual Spectrum Administrative Fee (ASAF) in an amount calculated by the Authority on the basis of the proportion of access spectrum assigned to the Licensee (under this License and any other licences) out of the total spectrum allocated to all Cellular Mobile Operators, to cover 75% of FAB's total budgeted expenditure for the next financial year. The ASAF shall be applicable for the next financial year starting from 1st July every year and is payable in advance latest by 30th June every year. In case of change in spectrum assignment pursuant to spectrum auction or whatsoever reason, the proportionate basis shall - 8 - accordingly be revised for calculation of ASAF purposes and accordingly billed.	The Licensee shall pay to the Authority an annual Spectrum Administrative Fee (ASAF) in an amount calculated by the Authority on the basis of the proportion of access spectrum assigned to the Licensee (under this License and any other licences) out of the total spectrum allocated to all Cellular Mobile Operators, to cover 75% of FAB's total budgeted expenditure for the next financial year. The ASAF shall be applicable for the next financial year starting from 1st July every year and is payable in advance latest by 30th June every year. In case of change in spectrum assignment pursuant to spectrum auction or whatsoever reason, the proportionate basis shall - 8 - accordingly be revised for calculation of ASAF purposes and accordingly billed.

Sr.	Reference	Existing License Condition	Amended License Condition
		The Authority shall notify to the Licensee, when GoP introduces a separate regime for backhaul spectrum charging. This will be binding on the Licensee; and in addition to applicable ASAF referred above	Any change, in payment mechanism of Annual Spectrum Administrative Fee (ASAF) will be carried out in light of applicable GoP Policy.
3	Condition 4.3.5 of License Template	If the Licensee disputes any outstanding amounts due under this License as specified by the Authority, the Licensee shall not withhold payment and shall deposit the disputed amount in an escrow account opened by the Authority and on terms specified by the Authority. Failure to pay the disputed amount to the escrow account shall be a breach of this License by the Licensee. On resolution of that dispute, the disputed amount shall be paid to the Authority, or refunded to the Licensee, as the case may be.	<p>If the Licensee disputes any outstanding amounts due under this License as decided by the Authority, the Licensee shall either deposit 50% of the disputed amount in an escrow account opened by the Authority and on terms specified by the Authority or furnish unconditional and continuing bank guarantee, to the satisfaction of the Authority, in favor of the Authority equal to 50% of the disputed amount. Upon resolution of dispute, the amount deposited in escrow account shall accordingly be paid to the Authority or refunded to the Licensee along with bank profit accrued thereon during the period amount deposited in escrow account. In case of bank guarantee, the same shall accordingly be encashed or returned to the Licensee.</p> <p>Explanation: Late Payment Additional Fee (LPAF) shall not apply to the extent of amount deposited in escrow account, however, in case of submission of Bank Guarantee LPAF shall continue to apply on total outstanding dues from due date till date of payment.</p>
4	Clause 5.3.3 of IM	If the payment of Pre-Bid Deposit is being made from sources in Pakistan, it should be made only through wire transfer or through RTGS in PTA's Collection Account No. 3000942222 (IBAN PK39NBPA2221003000942222) maintained with Corporate Branch, National Bank of Pakistan, Islamabad, under intimation to DG Licensing, PTA	If the payment of Pre-Bid Deposit is being made from sources in Pakistan, it should preferably be made through wire transfer or through RTGS in PTA's Account titled Pakistan Telecomm. Authority Fund A/C , Account No. 3000942222 (IBAN PK39NBPA2221003000942222) maintained with Corporate Branch, National Bank of Pakistan, Islamabad, under intimation to DG Licensing, PTA

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		and reference "Spectrum Auction for NGMS in Pakistan 2021".	and reference "Spectrum Auction for NGMS in Pakistan 2021". As an alternate, in exceptional circumstances where there is technical difficulty in wire transfer/RTGS mechanism, the Pre-Bid Deposit can be made through demand draft or banker's cheque drawn, in favor of Pakistan Telecommunication Authority.
5	Appendix-1 of License Template	Please refer to A1-Network Rollout of Appendix-1 of License template dated 5 th August 2021 and Annex-A of response of queries dated 26 th August 2021.	Please see Annex – A of this document.
6	Appendix-3 of License Template	Please refer to Appendix-3 (QoS Standards) of License template dated 5 th August 2021	Please see Annex – B of this document.

APPENDIX- 1

A1 – Network-Rollout Obligations

Network Rollout obligations in terms of percentage population coverage increase each year in each province is as under:

Year	Date	Punjab		Sindh		KPK		Baluchistan	
		Voice Population %	MBB Population %	Voice Population %	MBB Population %	Voice Population %	MBB Population %	Voice Population %	MBB Population %
Claimed Population Coverage (%) on effective date X= Voice Y= MBB		X	Y	X	Y	X	Y	X	Y
Year-1	2022	X + 3%	Y + 3%	X + 3%	Y + 3%	X + 3%	Y + 3%	X + 3%	Y + 3%
Year-2	2023	X + 6%	Y + 6%	X + 6%	Y + 6%	X + 6%	Y + 6%	X + 6%	Y + 6%
Year-3	2024	X + 9%	Y + 9%	X + 9%	Y + 9%	X + 9%	Y + 9%	X + 9%	Y + 9%
Year-4	2025	X + 12%	Y + 12%	X + 12%	Y + 12%	X + 12%	Y + 12%	X + 12%	Y + 12%
Year-5	2026	X + 15%	Y + 15%	X + 15%	Y + 15%	X + 15%	Y + 15%	X + 15%	Y + 15%
Year-6	2027	X + 18%	Y + 18%	X + 18%	Y + 18%	X + 18%	Y + 18%	X + 18%	Y + 18%

*3% yearly increase is locked on population of each province on effective date.

Note:

- (i) The Licensee has to meet/exceed the QoS targets mentioned in Appendix 3 in the areas claimed to be covered as 'X' and 'Y' above.
- (ii) X, Y and yearly increase (up to year 6), will be calculated on basis of agreed population distribution vector / PBS (including annual population growth till 2021). X and Y would be locked for future evaluation. Population vector used for coverage calculations will be same for all cellular licensees.

- (iii) Rollout Obligations will be analysed by the Authority in accordance with population coverage statistics along with RF coverage predictions of licensee, submitted by the Licensee on annual basis against the updated population vector.
- (iv) For purpose of PBG release rollout obligations / claimed targets will be verified every second year as per devised methodology.
- (v) Rollout Obligations could be fulfilled by the frequencies stated in Appendix 2 or by any other frequencies for mobile communications the Licensee is entitled to use.
- (vi) Further to the population coverage obligations set out in the table above, the Licensee also needs to meet within these coverage areas the Quality of Service parameters set out in Appendix 3.
- (vii) Rollout Obligations can also be fulfilled through National Roaming, Universal Service Funding, Active Sharing, Spectrum Trading and Sharing as per Authority approved frameworks.
- (viii) Population Coverage increase to be undertaken with appropriate distribution in urban and rural areas.
- (ix) A wholesome review at National level will be carried out after 6 x years with mutual consultation and future rollout targets will be set, if required.
- (x) Any relaxation in the above targets may be granted by the Authority only in case of genuine difficulties to be supported and substantiated with reasons by the Licensee.

A2 - Performance Bond as a Guarantee

- (i) As a guarantee for the performance of Licensee’s network roll-out obligations set out in A1, the Licensee shall deliver to the Authority a Performance Bond in the form of an unconditional, irrevocable and continuing Bank Guarantee from a local bank in Pakistan with credit rating of AA+ and above, or a foreign bank having credit rating of A1 and above, acceptable to the Authority for the amount of USD15,000,000 (US Dollars Fifteen Million only) or its equivalent in Pakistan Rupees of the value prior to Effective Date.
- (ii) The Licensee shall be entitled to release and exchange part of the Performance Bond according to meeting the network roll-out obligations specified in the table in A1 above. In case any yearly population rollout obligation is not fulfilled, the performance bond proportionate to the rollout obligation not met shall be encashed by the Authority. The performance bond (or parts of it) shall remain in force until six months after the associated phase of the network rollout is completed.

The share of the total performance bond to be released upon the Licensee meeting the required network roll-out obligations is set out in the table below:

Years	Year 2		Year 4		Year 6	
Total Value of the performance bond to be released (USD)	5,000,000		5,000,000		5,000,000	
Share of performance bond to be released (USD)	Voice	MBB	Voice	MBB	Voice	MBB
	2,000,000	3,000,000	2,000,000	3,000,000	2,000,000	3,000,000

APPENDIX - 3

QUALITY OF SERVICE STANDARDS

Contents of Appendix – 3 remain same as published on 5th August 2021 except below table:

Key Performance Indicator	Benchmark for technologies standardized for 4G / LTE	Remarks
User data throughput	<p>An average download data rate of 2 Mbps, which would be increased to 4 Mbps in two years from the Effective Date, with equal yearly increase.</p> <p>For upload throughput to be at least 25% of download throughput.</p>	<p>To be measured at random locations within the areas covered</p> <p>A grace period of 6 months in achieving the throughput KPI of 4Mbps will be granted from 2nd year of effective date for testing; and subsequent improvement by Licensee as directed by the Authority.</p>
Signal Strength (RSRP)	A minimum outdoor signal strength of -100 dBm must be achievable with 90% confidence.	