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Internet Exchange License Guidance

License Application Guidance for an Internet Exchange License

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Purpose: To provide details of the application process for an Internet Exchange License.



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Internet Exchange License Guidance

Introduction

This document sets out the application procedure of the Telecommunications Regulatory Authority (the “**Authority**”) for an Internet Exchange License (“**Internet Exchange License**”) and guidance on that procedure for potential applicants for an Internet Exchange License (“**Applicants**”).

In this document capitalized terms shall, unless otherwise stated, have the meaning given to them in the telecommunications law promulgated by Legislative Decree No. 48 of 2002, published in the Official Gazette, Issue No. 2553 of October 23, 2002 (17 Sha’aban 1423(h)) (the “**Telecommunications Law**”). Applicants should familiarize themselves with the Telecommunications Law before making an application for any License. Whilst the Telecommunications Law as published in the Official Gazette is the only authoritative version of the law, the Authority has published an informal English translation of the Telecommunications Law for information purposes only.

Scope and Form of the Internet Exchange License

The Internet Exchange License is an Individual License, as defined in the Telecommunications Law. Although the Authority has the power to grant an Individual License with any terms and conditions it considers appropriate pursuant to section 28(c)1 of the Telecommunications Law, it will normally award an Internet Exchange License in the standard form. Applicants should familiarize themselves with the standard form of the Internet Exchange License before making an application for an Internet Exchange License.

An Internet Exchange License is the appropriate License for Applicants who wish to establish, operate, manage and maintain an internet exchange. However, Applicants cannot provide under this license public voice services, being the provision of a two-way voice call services between members of the public for compensation, nor actively facilitate the use by its Telecommunications Facilities by third parties to offer such a service. Appropriate licenses must be obtained prior to the offering of such services.

Legal Disclaimer

This document is issued by the Authority pursuant to its general power at section 3(18) of the Telecommunications Law. Nothing in this document shall be construed to be a binding

LICENSING

Internet Exchange License Guidance

interpretation of the Telecommunications Law or the conditions of any License included in the Official Gazette Standard Forms or to conflict with or amend the terms of the Telecommunications Law or the conditions of the Official Gazette Standard Forms. Applicants are advised to obtain their own legal advice in connection with the interpretation of any term of the Telecommunications Law or any condition of any License included in the Official Gazette Standard Forms.

Application Process

The application process for an Internet Exchange License follows the procedure set out at sections 27 and 29 of the Telecommunications Law for Individual Licenses. The application form (with guidance notes) is the form prepared by the Authority in accordance with section 27(a) of the Telecommunications Law. Applicants wishing to apply to the Authority for an Internet Exchange License should submit a signed and completed application form. However, the Authority reserves its right to seek any additional information to that set out in completed application forms from Applicants or to obtain any clarifications it considers necessary in order to ensure, pursuant to section 29(c) of the Telecommunications Law, that Applicants satisfy the conditions provided for in the Telecommunications Law and in the laws, regulations and resolutions issued by the Authority.

Process for license award

The TRA will consider the Internet Exchange License application on a case-by-case basis and will seek dialogue with each Applicant in order to ensure clear understanding of their proposal.

The TRA will notify the Applicant in writing within 14 days of receipt of the application as specified in section 27(a) of the Telecommunications Law that it has received the application. If no acknowledgement has been returned within this period please contact the TRA to ensure that the application has been received. The TRA reserves the right to request additional information or to seek clarification of information supplied.

The TRA will recommend or reject complete and comprehensive license application within 90 days of receipt. If recommended, Internet Exchange license awards will normally be approved within 30 days of recommendation with no more than a further 30 days if necessary.

LICENSING

Internet Exchange License Guidance

Summary of Conditions

Without prejudice to any other conditions provided for in the Telecommunications Law and in the laws, regulations and resolutions issued by the Authority, the main conditions that Applicants for an Internet Exchange License must satisfy are that:

- (a) the Applicant is a juristic entity incorporated in the Kingdom of Bahrain or a branch of a foreign company licensed to operate in the Kingdom of Bahrain in accordance with the Commercial Companies Law (section 26(a)1 of the Telecommunications Law);
- (b) substantially all the infrastructure and personnel associated with the provision of the value added services which the Applicant wished to provide under the Internet Exchange License will be located in the Kingdom of Bahrain (section 26(a)2 of the Telecommunications Law);
- (c) the Applicant has sufficient resources, skills and expertise in the field of internet exchange provision (section 29(c)1 of the Telecommunications Law).

The Authority will also assess any application in accordance with its duties set out at section 3(b) of the Telecommunications Law, being its obligation to protect the interests of Subscribers and Users in respect of the tariffs charged for services, the availability and provision of service, quality of services and protection of personal particulars and privacy of services, the promotion of effective and fair competition among new and existing Licensed Operators and to ensure that any Applicant wishing to provide Public Telecommunications Services shall be able to provide those services.

License Fees

Pursuant to section 18(a)(1) of the Telecommunications Law, Applicants are required to pay the following fees for an Individual License:

- (a) an application fee of one thousand Bahrain Dinars (1,000 BD), to be paid in cleared funds to the Authority upon submission of a completed application form for an Internet Exchange License. In the event that the Authority decides not to grant an Internet Exchange License to an Applicant, the application fee shall be refunded to the Applicant on or before the date

LICENSING

Internet Exchange License Guidance

upon which a final decision must be made by the Authority pursuant to section 29(d) of the Telecommunications Law;

- (b) an annual license fee at the rate of one percent (1%) of the gross annual turnover of the Applicant attributable to the licensed services, payable in advance on or before January 31 each calendar year based upon the gross annual turnover for the previous calendar year adjusted for any increase when the gross annual turnover for the current year becomes available.

Applicants for an Internet Exchange License should note that, upon becoming licensees, they may, in addition, be required to pay an annual fee, set by the Ministry of Commerce, which relates to their Commercial Registration. Applicants must direct any questions relating to Commercial Registration directly to the Ministry of Commerce.