



هيئة
تنظيم
الاتصالات
Telecommunications
Regulatory
Authority

INDIVIDUAL INTERNET EXCHANGE LICENSE

GRANTED TO

[INSERT NAME]

[Commercial Registration No.]

**BY THE TELECOMMUNICATIONS REGULATORY AUTHORITY
UNDER LEGISLATIVE DECREE NO. 48 OF 2002
WITH RESPECT TO TELECOMMUNICATIONS**

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**INDIVIDUAL INTERNET EXCHANGE LICENSE GRANTED TO [INSERT NAME]
BY THE TELECOMMUNICATIONS REGULATORY AUTHORITY**

1. GRANT OF LICENSE

- 1.1 The Telecommunications Regulatory Authority (the “**Regulator**”) hereby grants [insert name] (the “**licensee**”) this license, under the Telecommunications Law (promulgated by Legislative Decree no.48 of 2002) (the “**Telecommunications Law**”), by virtue of which the Regulator authorizes the licensee to provide the telecommunications services described herein in the licensed area set out herein (the “**license**”).
- 1.2 This license shall be subject to the provisions herein stated, the Telecommunications Law and any regulations issued thereunder.

2. DEFINITIONS

2.1 For the purposes of this license:

- (a) A meaning or definition provided for any word, phrase or expression under the Telecommunications Law shall also be applicable to such word, phrase or expression in this license, unless the context requires otherwise.
- (b) For the purpose of interpreting these provisions, headings and titles to any provision shall be disregarded.
- (c) A reference to significant market power or a dominant position shall be a reference to such power or position, as the case may be, in the relevant market as determined by the Regulator from time to time.
- (d) The following terms and expressions shall have the following meanings unless the context requires otherwise:

“**Affiliate**” means, as used with respect to any person, any other person directly or indirectly controlling, controlled by, or under common control with, that person. In the case where one person owns, directly or indirectly, 50% or more of the share capital, voting rights, securities or other ownership interest of another person, both such persons shall be deemed an affiliate;

“**Call**” includes any communication conveying voice or data:

- (a) whether between persons and persons, things and things or persons and things;
- (b) whether in the form of speech, music or other sounds;
- (c) whether in the form of data;
- (d) whether in the form of text;
- (e) whether in the form of visual images (animated or otherwise);
- (f) whether in the form of signals; and
- (g) whether in any combination of the foregoing forms;

“**Control**” means, as applied to any person, the possession, directly or indirectly, of the power to direct or cause the direction of the management of that person, whether through ownership, voting or other means and “**controlling**” and “**controlled**” shall be construed accordingly;

“**Effective date**” means the date in section 16.1;

“**Force majeure**” means any event beyond the reasonable control of the licensee, including but not limited to fire, storm, earthquake, flood or other extreme weather conditions, acts of God, lightning, war, military operations, acts of terrorism or riot;

“**Internet**” means an integrated computer network through which machines used by users are connected to each other by means of the TCP/IP family of protocols;

“**Internet exchange**” means a facility comprising telecommunications equipment through which (a) internet traffic is aggregated, transmitted, exchanged and distributed and (b) peering is facilitated;

“**Licensed area**” means the territory of the Kingdom of Bahrain;

“**Licensed services**” means the telecommunications services provided to subscribers described in section 3;

“**Peering**” means the direct exchange of internet traffic between internet service providers at an internet exchange;

“**Public Voice Service**” means real time, two way voice calls provided between members of the public for compensation; and

“**Structural separation**” means the division of an integrated telecommunications business of a licensee into two or more separate legal entities so that each entity independently performs distinct licensed telecommunications activities and separately and distinctly owns and has day-to-day control of the assets and operational capabilities, including employees, by means of which each such activity is carried out.

3. LICENSED SERVICES

3.1 The licensee is authorized on a non-exclusive basis to establish, operate, manage and maintain an internet exchange in the licensed area. The licensee is not authorized under this license to offer any Public Voice Services or to actively facilitate the use of its telecommunications facilities by a third party for the offer of such a service. Appropriate licenses must be obtained prior to the offering of such services.

3.2 The licensee may, with the prior written approval of the Regulator, provide any or all of the licensed services through an affiliate provided that the licensee shall continue to be fully liable for any obligation arising in relation to the provision of such licensed services. The Regulator may revoke its approval at any time by providing reasonable advance notice to the licensee in writing. The prior written approval of the Regulator shall not be required if such affiliate is and remains wholly-owned by the licensee, provided always that the Regulator shall be notified of such arrangement.

4. CONNECTION TO INTERNET EXCHANGE

4.1 The licensee shall ensure that all parties connected/ connecting to its Internet Exchange hold the appropriate licenses.

5. RELATIONS WITH SUBSCRIBERS

5.1 Without derogating from section 55 and section 56 of the Telecommunications Law, the licensee shall publish a code of practice on subscribers affairs approved in writing

by the Regulator, giving guidance to the licensee's internet exchange service subscribers in respect of any disputes and complaints relating to the provision by the licensee of the licensed services.

- 5.2 The licensee shall prepare an initial draft of the code of practice on subscriber affairs and submit it for review by the Regulator within three (3) months of the effective date.
- 5.3 The code of practice on subscribers affairs shall contain guidelines on the following issues:
- (a) complaints;
 - (b) dispute settlement;
 - (c) location of customer service departments;
 - (d) quality of service;
 - (e) provision of ancillary services;
 - (f) other matters dealt with in the terms of service of the standard subscriber agreement referred to in section 5.6; and
 - (g) procedure for service termination.
- 5.4 The licensee shall publish its Code of Practice once it has been approved in writing by the Regulator.
- 5.5 After approval of the code of practice by the Regulator, the licensee shall report to the Regulator on an annual basis (within one (1) month of the end of the licensee's accounting period) on the performance of the licensee in meeting the guidelines set out in the code of practice on subscribers affairs, and on the progress made in implementing the guidelines.
- 5.6 Within three (3) months of the effective date, the licensee shall submit to the Regulator for its review a form of standard agreement containing the terms for the provision of licensed services to internet exchange service subscribers (the “**standard subscriber agreement**”). The Regulator may raise objections and require the introduction of such modifications as the Regulator deems necessary. The licensee

may submit a different standard subscriber agreement for use by similarly situated internet exchange service subscribers of a specific category, provided that all such categories shall be objectively justified and do not result in undue discrimination. If no objections are raised or modifications required by the Regulator within thirty (30) days of the submission of such form, such form may be used by the licensee.

- 5.7 Any modifications to such agreement also are subject to the foregoing provisions. In addition, the Regulator may subsequently order the introduction of any modification to such agreement after it becomes aware of any fact or circumstance which requires such modification in order to safeguard the interests of subscribers.

6. QUALITY OF SERVICE REQUIREMENTS

- 6.1 The licensee shall meet the additional quality of service requirements determined from time to time by the Regulator pursuant to a regulation (the “**quality of service requirements**”).

7. INTERRUPTIONS TO THE LICENSED SERVICES

- 7.1 The licensee shall not intentionally interrupt or suspend the operation of its internet exchange (or any part thereof) in the normal course of business, nor may the licensee in the normal course of business suspend the provision of any type of licensed service without having first obtained the prior written approval of the Regulator (including approval of a scheduled service outage plan) and provided reasonable advance notice to persons to be affected by such interruption or suspension.

- 7.2 The licensee may suspend or interrupt the operation of its internet exchange (or part thereof) without prior notice, but only for the shortest period practicable under the circumstances, where:

- (a) it has been directed to suspend or interrupt service by a Court, regulator or other relevant authority;
- (b) it is necessary to do so in order to prevent imminent risk of danger, damage or injury to persons or property (including the security or integrity of any telecommunications network).

8. TARIFFS FOR LICENSED SERVICES

8.1 From the effective date until the date on which the relevant regulation under section 58 of the Telecommunications Law dealing with tariffs becomes effective, the licensee's tariffs shall be in effect.

8.2 If the licensee has significant market power:

(a) From the date on which the relevant regulation dealing with the tariffs of licensees with significant market power becomes effective, the tariffs of the licensee shall be subject to the relevant regulation made under section 58 of the Telecommunications Law.

(b) If the licensee wishes subsequently to change the tariffs for a licensed service, it must, unless otherwise directed by the Regulator, notify the Regulator of the proposed change at least forty-five (45) days prior to the date on which the proposed change is to come into effect.

(c) The licensee shall ensure that it publishes in accordance with the standard subscriber agreement and keeps updated a list of applicable tariffs for licensed services, and makes that list available on its website, at its place of business, and to any person who requests a copy.

9. INTEROPERABILITY AND TECHNICAL STANDARDS

9.1 The licensee shall comply with any relevant regulations and technical specifications issued by the Regulator in order to ensure interoperability of the licensed services and the telecommunications facilities of the licensee with telecommunications services and telecommunications networks provided by other licensed operators to the extent technically feasible.

10. PRIVACY AND CONFIDENTIALITY

10.1 The licensee shall use all reasonable endeavors to ensure the privacy and confidentiality of information and business secrets obtained in the course of its business from any person to whom it provides the licensed services by establishing

and implementing reasonable procedures for maintaining privacy and confidentiality of such information subject to any requirement under law.

- 10.2 The licensee shall maintain sufficient information on its privacy and confidentiality procedures to satisfy the Regulator, at its reasonable request, that the requirements of section 10.1 are being met.
- 10.3 The licensee shall not use or allow to be used any apparatus which is capable of recording, storing, monitoring or intruding into calls unless authorized in accordance with the applicable law.

11. ANTI-COMPETITIVE PRACTICES

- 11.1 Without derogating from section 65 of the Telecommunications Law, the licensee shall not, alone or together with others, engage in or continue or knowingly acquiesce in any anti-competitive practices and, *inter alia*, the licensee shall:
- (a) not engage in anti-competitive cross-subsidization;
 - (b) not abuse a dominant position;
 - (c) not enter into any agreements, arrangements or undertakings with any person, including any supplier of services that compete with any of the activities described in this license, which have as their objective or effect the fixing of prices or other restraint on competition in the Kingdom of Bahrain;
 - (d) not use information obtained from competitors or subscribers if the objective or effect of such use is anti-competitive; and
 - (e) make available to its subscribers on a timely basis technical information about essential facilities and other commercially relevant information that is necessary for them to provide telecommunications services pursuant to their respective licenses.

12. PROHIBITION ON UNDUE PREFERENCE AND UNDUE DISCRIMINATION

- 12.1 In providing or offering to provide the licensed services the licensee shall operate in a manner (whether in respect of tariffs, charges, application of discount schemes, or other terms or conditions applied) that does not show undue preference to or exercise undue discrimination against any particular person or persons of any class or description, including as between subscribers.
- 12.2 The licensee shall be deemed to have shown such undue preference or to have exercised such undue discrimination if *inter alia* it unfairly favors to a material extent a business carried on by it or by its affiliates.

13. ACCOUNTING REQUIREMENTS

- 13.1 The licensee shall present in written form regulatory accounts for the licensed telecommunications activities in accordance with the applicable regulations.
- 13.2 The Regulator may require the licensee to submit other accounting information it may require in order to effectively supervise and enforce the terms of this license and the provisions of the Telecommunications Law.
- 13.3 If the licensee fails to comply with its obligations under either section 13.1 or section 13.2 or if the accounting system presented by the licensee fails to achieve the objectives set forth in these subsections and the Regulator deems it necessary and appropriate in accordance with the provisions of section 3(c) of the Telecommunications Law, it may order the licensee to implement structural separation within a period to be determined by the Regulator.

14. REQUIREMENT TO PROVIDE INFORMATION AND INSPECTION

- 14.1 Without derogating from section 53 and 77 of the Telecommunications Law, the licensee is required to maintain such information as will enable the Regulator to carry out its functions under the Telecommunications Law in such manner as the Regulator may from time to time request. The Regulator shall have the right to request the licensee to submit periodic reports, statistics and other data as well as request additional information in order to effectively supervise and enforce the terms of this

license, the provisions of the Telecommunications Law and the regulations issued thereunder.

15. LICENSE FEES

15.1 The initial license fee for the period from the effective date until the end of the calendar year in which the license is awarded shall be BD 1,000.

15.2 The annual renewal license fee for each subsequent year shall be 1% of the gross annual turnover of the licensee attributable to the licensed services, payable in advance using the gross annual turnover of the previous year and adjusted for any change when the gross annual turnover for the current year becomes available.

15.3 The applicable license fee shall be paid to the Regulator in Bahraini dinars:

(a) on or before the date that is thirty (30) days after the effective date, for the period from the effective date until the end of the calendar year during which the license is awarded; and

(b) annually in advance no later than 31 January of each calendar year thereafter.

16. DURATION AND RENEWAL

16.1 The effective date of this license is [insert date] (the “**effective date**”). This license shall be valid for a term of fifteen (15) years.

16.2 Upon expiration of the current license term the licensee may apply to the Regulator pursuant to section 30 of the Telecommunications Law for an additional term of ten (10) years.

17. MODIFICATION, REVOCATION AND TERMINATION

17.1 The license may be modified in any of the following ways at any time:

(a) Written agreement between the Regulator and the licensee.

(b) By the Regulator if the Regulator determines that such modification is necessary to make the conditions of the license consistent with terms being imposed generally in respect of all licenses issued in the same category, for the

purpose of ensuring fair competition between licensees in that category or to the extent necessitated by technological development, provided that the Regulator shall have:

- (i) given the licensee six (6) months written notice of the proposed modification; and
- (ii) consulted with the licensee;
- (c) an order of modification by the Regulator in accordance with section 35 of the Telecommunications Law.

17.2 The license may be revoked in any of the following ways at any time:

- (a) Written agreement between the Regulator and the licensee.
- (b) An order of revocation by the Regulator in accordance with section 35 of the Telecommunications Law.
- (c) If the licensee is dissolved, or enters into liquidation, bankruptcy or equivalent proceedings or makes a general assignment for the benefit of creditors.

17.3 The license shall automatically terminate upon the expiry of its term if it is not renewed in accordance with section 16.2 above.

18. FORCE MAJEURE

18.1 If the licensee is prevented from performing any of its obligations under this license because of force majeure the licensee shall notify the Regulator of the obligations it is prevented from performing and the reason why as soon as practicable after it becomes aware or reasonably shall become aware of such force majeure.

18.2 The Regulator shall suspend those obligations referred to under section 18.1 and the licensee will not be liable to perform those obligations, for so long as the force majeure continues, only if and to the extent that the inability to perform could not have been prevented by taking steps specifically required under this license or other reasonable precautions and the inability cannot reasonably be circumvented by the licensee at its expense through the use of alternate sources, work-around plans or other means.

19. DISPUTE RESOLUTION

19.1 All disputes between the licensee and the Regulator arising out of this license shall be resolved in accordance with the provisions of Chapter XVI of the Telecommunications Law.

19.2 The courts of the Kingdom of Bahrain shall have jurisdiction over disputes between the licensee and other licensees in connection with telecommunications activities which they are licensed to conduct, provided, however, that a party to such dispute may require the dispute to be referred to arbitration, in which case, unless the parties agree otherwise and provided that such agreement is not contrary to Chapter VII of the Civil and Commercial Procedural Law of 1971, the provisions of sections 67 to 71 of the Telecommunications Law shall apply mutatis mutandis.

20. NOTICES

20.1 All notices from the licensee to the Regulator and vice versa shall be in writing and sent by registered mail with acknowledgement of delivery to the following addresses:

(a) If sent to the Regulator:

Telecommunications Regulatory Authority,
PO Box 10353,
Manama,
Kingdom of Bahrain.

(b) If sent to the licensee:

[insert address]

20.2 Either party may change its above address by notifying the other party in writing at least fifteen (15) days before such change takes effect.

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