

**INDIVIDUAL INTERNATIONAL TELECOMMUNICATIONS  
SERVICES LICENSE GRANTED TO**

**MTC Vodafone Bahrain**

**BY THE TELECOMMUNICATIONS REGULATORY AUTHORITY  
UNDER THE LEGISLATIVE DECREE 48 OF 2002 WITH RESPECT  
TO TELECOMMUNICATIONS**

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**INDIVIDUAL LICENSE FOR INTERNATIONAL TELECOMMUNICATIONS  
SERVICES GRANTED TO MTC VODAFONE BAHRAIN BY THE  
TELECOMMUNICATIONS REGULATORY AUTHORITY**

**1. GRANT OF LICENSE**

- 1.1 The Telecommunications Regulatory Authority (the “**Regulator**”) hereby grants MTC Vodafone Bahrain (the “**licensee**”) this license, under the Telecommunication Law promulgated by Legislative Decree No. 48 of 2002, by virtue of which the licensee is authorized 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) A reference to significant market power or dominant position shall be a reference to such power or position, as the case may be, for the relevant market as determined by the Regulator from time to time.
- (c) 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 and 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 referred to in section 18.1;

“**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, failure or shortage of power supplies, lightning, war, military operations, acts of terrorism or riot;

“**International gateway**” means a telecommunications facility consisting of a switch and associated transmission equipment that connects a public telecommunications network to

telecommunications networks in other countries by means of international telecommunications facilities;

**“International telecommunications facilities”** means telecommunications facilities used or intended for use in connecting the Kingdom of Bahrain to countries or territories outside the Kingdom of Bahrain, or *vice versa*, for the provision of an international telecommunications service;

**“International telecommunications service”** means the provision of telecommunications services between the Kingdom of Bahrain and countries or territories outside the Kingdom of Bahrain, or *vice versa* but does not include the provision of VSAT services unless the licensee is also the holder of a VSAT license;

**“International telecommunications service subscriber”** means any subscriber for the licensed services;

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

**“Licensed services”** means all telecommunications services described in section 3.1;

**“Message”** means that part of any transmitted signal representing information to be conveyed from one end user to another;

**“Resale services”** means licensed end-to-end retail telecommunications services offered to its subscribers by a licensed operator that are, subject to section 58 of the Telecommunications Law, purchased from the licensee by another licensed operator for on-sale by such operator to end-users or other licensed operators, either alone or, together with such additional services as the other licensed operators may provide. For the avoidance of doubt, resale services shall exclude licensed services involving interconnection with the licensee’s telecommunications network;

“**Router**” means a device that examines incoming messages, interprets the address information contained in each message and decides the best route to transmit it to its final destination; 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 owns and has day-to-day control of the assets and operational capabilities, including employees, by means of which such activities are carried out.

“**VSAT services**” means telecommunications services, including international telecommunications services, provided by means of a satellite telecommunications network between fixed points, where the point at the Bahrain end is equipped with very small aperture terminal equipment.

### **3. LICENSED SERVICES**

- 3.1 The licensee is authorised on a non-exclusive basis to provide international telecommunications services by means that include any international facilities operated by the licensee.
- 3.2 The licensee may, with the prior written approval of the Regulator, provide any or all of the licensed services through an affiliate or sub-contract the provision of any or all of the licensed services to another person; provided, however, that the licensee shall continue to be fully liable for any obligation arising in relation to the provision of such licensed service. 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. TELECOMMUNICATIONS FACILITIES AND NETWORKS**

4.1 The licensee shall have the right to access the telecommunications facilities and interconnect with the telecommunications network of public telecommunications operators in accordance with section 57 of the Telecommunications Law and the terms of any license granted to any such operator pursuant to section 25 of the Telecommunications Law.

4.2 Throughout the term specified in section 18 of this license the licensee shall be required to install, operate and maintain at least one international gateway and/or a router, which shall have been approved in accordance with section 38 of the Telecommunications Law, for the purpose of providing the licensed services.

#### **5. PROVISION OF DIRECTORY INFORMATION SERVICES**

5.1 The licensee may provide any licensed operator access to the licensee's directory information on request, in such form on reasonable and fair terms as may be determined by the Regulator, provided that:

- (a) the licensed operator undertakes to use the information only to provide directory information services or for the routing of calls;
- (b) the licensed operator undertakes that it will not give its subscribers directory information services in respect of any subscriber who has requested the licensee not to provide such information in relation to such subscriber;
- (c) the licensed operator provides access to the licensee to its own directory information on a similar basis or if the licensed operator is not yet fully operational, provides reasonable undertakings to provide such information; and
- (d) the provision by the licensee to the licensed operator of the information is not unlawful.

5.2 The licensee shall use all reasonable efforts to provide its international telecommunications services subscribers, upon request, with access to directory information services available in other countries to which the licensee provides international telecommunications services. Any tariff charged for access to such services shall be subject to the prior written approval of the Regulator.

## **6. PROVISION OF OPERATOR ASSISTANCE SERVICES**

6.1 The licensee may provide, or provide access to, operator assistance service to users, upon request.

6.2 The tariff, if any, charged by the licensee for the operator assistance service referred to under section 6.1 shall be subject to a prior written approval by the Regulator.

## **7. RELATIONS WITH SUBSCRIBERS**

7.1 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 international telecommunications service subscribers in respect of any disputes and complaints relating to the provision by the licensee of the licensed services.

7.2 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.

7.3 The code of practice on subscriber's 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 7.5; and
- (g) guidelines on service termination.

7.4 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.

7.5 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 international telecommunications service subscribers (the "**standard subscriber agreement**"). The licensee may submit a different standard subscriber agreement for use by similarly situated international telecommunications service subscribers of a specific category, provided that all such categories shall be objectively justified and do not result in undue discrimination. The Regulator may raise objections and require the introduction of such modifications as the Regulator deems necessary. 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.

7.6 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.

## **8. TARIFFS OF LICENSED SERVICES**

8.1 For as long as the licensee has significant market power:

- (a) From the date on which the relevant regulation dealing with the tariffs of the licensee 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.

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

## **9. PROVISION OF RESALE SERVICES**

9.1 Subject to any regulations on interconnection and to the provisions of this section 9, the licensee shall, if and only for as long as the licensee is in a dominant position, within six (6) weeks of a request by a licensed operator, enter into a written agreement with the licensed operator to provide licensed services in the relevant market as are reasonably requested to enable that licensed operator to provide resale services in such market. Where the licensee and such licensed operator cannot agree the terms of such agreement within such period of time, either party may refer the matter to the Regulator in writing for determination of such terms within thirty (30) days from referral.

9.2 The licensee shall not be required to enter into an agreement under section 9.1 where to do so would, in its reasonable opinion and with the agreement of the Regulator:

(a) cause or would be likely to cause danger, damage or injury to any person or to any property; or

(b) interfere with the operation of its international telecommunications services.

9.3 The licensee shall ensure that the agreement referred to in section 9.1 above is offered on terms and in accordance with tariffs approved or determined by the Regulator and shall provide the Regulator with a copy of each such agreement within three (3) days of its signing.

## **10. INTERCONNECTION WITH OTHER PUBLIC TELECOMMUNICATIONS OPERATORS**

10.1 If the licensee is a public telecommunications operator in a dominant position, it shall provide interconnection to other public telecommunications operators in accordance with section 57 of the Telecommunications Law.

## **11. BILLING**

11.1 The licensee shall upon issuing any bill in respect of any licensed service ensure that every amount stated as due in the bill is no higher than the amount that represents the true extent of any such service lawfully provided by the licensee to the international telecommunications service subscriber in question.

11.2 The licensee shall, no later than six (6) months from the effective date, establish a procedure to ensure the accuracy of its billing system in accordance with section 11.1 above which must be submitted for prior written approval to the Regulator within four (4) months from the effective date. The Regulator shall issue its decision with respect to such procedure within two (2) months of such submission.

- 11.3 The licensee shall keep such records as may be necessary or may be determined by the Regulator to be necessary for the purpose of satisfying the Regulator that the billing process has the characteristics required above and the licensee shall for purposes of this license retain all records for at least two (2) years from the date on which they came into being.
- 11.4 For the purpose of giving the Regulator assurance from time to time that the billing process meets the requirements of section 11.1, the licensee shall:
- (a) furnish the Regulator with any information it requires;
  - (b) on reasonable notice, allow the Regulator (or any person authorised by the Regulator) access to any relevant premises of the licensee during normal business hours; and
  - (c) on reasonable notice, allow the Regulator (or any person authorised by the Regulator) to examine or test the whole or any part of the billing process.
- 11.5 The licensee shall, no later than twelve (12) months from the effective date, provide itemised billing information to any international telecommunications service subscriber upon request in respect of the tariffs for any telecommunications services provided by the licensee to such subscriber. If the Regulator permits the licensee to charge for itemised billing information, any such charge is subject to the prior written approval of the Regulator.

## **12. INTEROPERABILITY AND TECHNICAL STANDARDS**

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

### **13. PRIVACY AND CONFIDENTIALITY**

- 13.1 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.
- 13.2 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 13.1 are being met.
- 13.3 The licensee shall not use or allow to be used any apparatus which is capable of recording, monitoring, or intruding into calls unless it complies with applicable law.

### **14. ANTI-COMPETITIVE PRACTICES**

- 14.1 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, in particular, the licensee shall:
- (a) not engage in anti-competitive cross-subsidization;
  - (b) if dominant, not abuse its dominant position;
  - (c) not enter into exclusive arrangements with third parties for the location of its facilities that are required to provide any of the licensed services;
  - (d) not enter into any agreements, arrangements or undertakings with any person, including any supplier of services that compete with any of the licensed services, which have as their objective or cause the fixing of prices or other restraint on competition;

- (e) not use information obtained from competitors if the objective or effect of such use is anti-competitive;
- (f) make available to other licensed operators on a timely basis technical information about essential facilities and other commercially relevant information that is necessary for them to provide telecommunications service; and
- (g) not (whether in respect of the tariffs or other terms applied or otherwise) show undue discrimination against particular persons or persons of any class or description as respects the provision of any licensed service.

## **15. ACCOUNTING REQUIREMENTS**

- 15.1 The licensee shall present in written form regulatory accounts for the licensed telecommunications activities in accordance with the applicable regulations.
- 15.2 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.
- 15.3 If the licensee fails to comply with its obligations under sub-sections 1 and 2 above 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.

## **16. REQUIREMENT TO PROVIDE INFORMATION AND INSPECTION**

- 16.1 Without derogating from section 77 of the Telecommunications Law, the licensee shall permit any person authorised by the Regulator to have access to any of its radiocommunications stations and to inspect or test its radiocommunications equip-

ment at any reasonable time or whenever an emergency situation exists, at any time, for the purpose of verifying compliance with the terms of the license, the provisions of the Telecommunications Law and regulations issued thereunder or for the purpose of investigating sources of radiocommunications interference.

- 16.2 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.

## **17. LICENSE FEES**

- 17.1 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 BD10,000.
- 17.2 The annual renewal license fee for each subsequent year shall be one (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.
- 17.3 The applicable license fee shall be paid to the Regulator in Bahraini Dinar:
- (a) on or before the date that is thirty 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.

## **18. DURATION AND RENEWAL**

18.1 The effective date for this license is 1<sup>st</sup> July 2004 (the “**effective date**”). This license shall be valid for a term of fifteen (15) years.

18.2 The Regulator shall renew the license upon request by the licensee for additional terms of ten (10) years upon expiration of the current license term, provided that the licensee is not, and has not been, in material breach of the license (in which case, the Regulator may veto renewal in accordance with section 30 of the Telecommunications Law).

## **19. MODIFICATION, REVOCATION AND TERMINATION**

19.1 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.

19.2 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.

19.3 The license shall terminate automatically upon the expiry of its term if it is not renewed in accordance with section 18.2 above.

## **20. FORCE MAJEURE**

20.1 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 as a result as soon as practicable after it becomes aware or reasonably should become aware of such force majeure.

20.2 The Regulator shall suspend those obligations referred to under section 20.1 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 the law or 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.

## **21. DISPUTE RESOLUTION**

21.1 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.

21.2 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 & Commercial Procedural Law of 1971, the provisions of sections 67 to 71 of the Telecommunications Law shall apply *mutatis mutandis*.

## **22. NOTICES**

22.1 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: PO Box 10353, Manama, Kingdom of Bahrain.

(b) If sent to the licensee: PO Box 266, Manama, Kingdom of Bahrain.

22.2 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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