



**NATIONAL COMMUNICATIONS AUTHORITY
FEDERAL REPUBLIC OF SOMALIA**

**NATIONAL COMMUNICATIONS INFRASTRUCTURE
PROVIDER LICENSE**

**Approved and Issued by the National Communication Authority of the
Federal Republic of Somalia**

Under the National Communications Act of, 2017

to

[OPERATOR XXXX]

XX/XX/2020

LICENSE NO: CIP/N/2020/00X

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LICENSE DATED [30/07/2020]

The National Communication Authority of the Federal Republic of Somalia (the “NCA” or the “Authority” is the Authority responsible for the licensing and regulation of communication services within the Federal Republic of Somalia.

In accordance with the National Communications Act of 2017, the Authority hereby issues **NATIONAL COMMUNICATION INFRASTRUCTURE (CIP)** License to [XXXXX] (the “Licensee”) and authorizes the Licensee to provide Communications Infrastructure other licensed to operators in the Federal Republic of Somalia in accordance with the Terms and Conditions set forth herein (the “License”).

The Communication Infrastructure may include fixed links, radio communication transmitters, satellites station, fiber/copper cable, towers, and switches, base stations.

This License is issued on 30/07/2020 (the “Issuance Date”) under license number [**LICENSE NO: CISP/N/2020/00X**] and amends, and replaces all licenses issued prior to Issuance Date.

All capitalized terms not defined in this license have the meanings set out in the National Communication Law and NCA Regulations.

Dated: XX/XX/2020

Mr Abdullahi Abdiaziz Mohamed
General Manager
National Communications Authority
Federal Republic of Somalia

Mr Ahmed Ali Salad
Chairman of the Board
National Communications Authority
Federal Republic of Somalia

1. DEFINITION

In this license, the following terms shall have the following meanings:

“Act” means the Federal Republic of Somalia National Communications Act of 2017, any successor legislation and any subsequent amendments made thereto;

“Annual Fee” means an annual charge paid to the Authority for providing licensed services;

“Authority” means the National Communications Authority of the Federal Republic of Somalia.

“Communication Infrastructure” means physical infrastructure principally used for carrying Services and Applications and Content services. The infrastructure may include but is not limited to fixed links, radio communication transmitters, fibre/copper cable, towers, switches, base stations. Customer premise equipment is not included.

“National” means coverage of more than one city.

“Communication Legislation” means the Communication Law (as amended or replaced from time to time) and any Regulation issued thereunder.

“Effective Date” means the date on which the Authority grants this license

“Force Majeure” means, in relation to a party, an event, circumstance or combination of events or circumstances, occurring after the date of this Agreement which:

- a) is unforeseeable and outside the control of the Affected Party; and
- b) could not be avoided, prevented or overcome by the Affected Party through the exercise of diligence and reasonable care in accordance with Good Industry Practice,

“License” means authority to construct, provide, own and make available Network Facilities;

“License Fee” means one off license fee negotiated by the Licensee, the Authority, the Minister of Finance and Minister of Post, Communications and Technology but which must be approved by the Authority for the grant of the License;

“Licensee” has the meaning set forth in the preamble of this License.

“Operational Control” Means the ability to control the business and affairs of a Person or to direct or cause the direction of management whether by ownership or contract or otherwise.

“Person” means a natural person or any entity with legal personality.

“Provider” or “Service Provider” means a Person who provides, directly or indirectly, Communication Services.

“Regulation” means any regulation of the Authority pursuant to powers under the Act that imposes an obligation, duty, condition or requirement on any Provider.

“Renewal” means the renewal of the license once it is about to expire.

“Requesting Licensee” means a Person Licensed by the Authority who has expressed a desire to interconnect with another Licensee.

“Service Level Agreement” means a standard template of SLA between the Licensee Requesting Licensees of a given License category.

“Spectrum Frequency” has the meaning provided in the National Communications Act.

2. THE SCOPE OF THE LICENSE

2.1 Subject to the terms and conditions of this License, the Licensee is licensed and authorized

to construct, install and operate Communication Infrastructure Communication Infrastructure in accordance with the terms and conditions set out in this License.

2.2 The Licensee shall not provide any service / services which require a separate authorization/license unless specifically provided for in this License Agreement.

2.3 This License does not entitle the Licensee the right to use radio-frequency spectrum or numbering.

2.4 The licensee may request satellite spectrum frequency from the authority which requires a separate license.

3. DURATION AND RENEWAL OF THE LICENSE

3.1 This License is granted from the Effective Date for a period of twenty (20) years.

3.2 The Authority shall, subject to Communication Legislation in effect at the time, renew the License upon request by the Licensee for an additional period determined by the Authority, upon expiration of the License.

3.3 Where a Licensee wishes to renew the License, it shall apply to the Authority in writing two year prior to the expiry date of the License or at a later date if the Authority so determines.

3.4 On granting a renewal of the License the Authority may vary the terms of the License if the conditions then prevailing require such variation and it is reasonable to do so.

3.5 On renewal, the Licensee may be required to pay a renewal License fee as may be determined by the Authority.

4. LICENSE FEES

The Licensee shall pay to the Authority:

4.1 License Application Fee \$5,000

4.2 Initial Fee of \$275,000

4.3 Annual Administration Cost Fee of \$50,000 payable on 31st of January each year.

5. COMMENCEMENT OF PROVISION OF INFRASTRUCTURE SERVICES

The Licensee shall ensure that the installation and service provision of the Communication Infrastructure. Communication Infrastructure commences within six (6) months from the date of execution of this License Agreement. The Authority may extend the prescribed time limit.

6. MODIFICATION OF THE LICENSE

6.1 The Authority may modify this License in accordance with the National Communications Act 2017 and the Regulations, taking into account the reasonable interest and contractual rights of the Licensee and the principles of fair competition and equality of treatment.

6.2 Before modifying any terms and conditions, the Authority shall give the Licensee notice of not less than Sixty (60) days stating the reasons for the intended modification and giving the Licensee an opportunity to make representations.

7. RESTRICTION ON TRANSFER OF LICENSE

Without the prior written approval of the Authority, the Licensee shall not:

7.1 subcontract, assign, pledge or otherwise transfer to another Person this License or any rights under it; or

7.2 dispose or agree to dispose of all or substantially all of the assets and undertaking of the Licensee; or

7.3 engage in an issuance, or transfer of shares in the Licensee or other transactions which would have direct or indirect effect of causing the transferee to acquire (directly or indirectly) (i) fifteen (15) per cent or more of the Licensee's share capital, voting rights or securities; or (ii) Operational Control of the Licensee.

7.4 Notwithstanding any other provision of this License and any arrangement it may enter into with any Person relating to the exercise of the Licensee rights or fulfillment of its obligations under this License, the Licensee shall remain subject to, and shall retain full responsibility and liability for the fulfillment of, all of the obligations set forth in this License and the Act and Regulation issued by the Authority.

8. REQUIREMENT TO FURNISH INFORMATION:

8.1 The Licensee shall submit information to Authority as per any order or direction or Regulation issued from time to time under the provisions of the National Communication Act of 2017 or an amended or modified statute.

8.2 The Licensee shall in no case permit service to any Communication Service Provider whose License is either terminated or suspended or not in operation at any point of time. Where connectivity already exists, the Licensee shall be obliged to disconnect or sever connectivity immediately without loss of time upon receipt of any reference from the Authority in this regard.

9. REVOCATION OR SUSPENSION OF THE LICENSE

9.1 This License may not be terminated prior to the expiry of its term except in accordance with Clause 9.1.1, 9.1.2 or 9.1.3 below:

9.1.1 this license may be terminated if the Licensee and the Authority agree in writing to terminate the License;

9.1.2 this license may be terminated if the Licensee is in material breach of the terms and conditions and the Licensee has been notified of the breach of the license and has been given reasonable notice to comply and failed to comply and even after being issued with a penalty has failed to pay the penalty and/or continues with the non-compliance;

9.1.3 the Authority may terminate the License if the Licensee is dissolved, or enters into liquidation, bankruptcy, receivership, administration, or equivalent proceedings or makes a general assignment for the benefit of creditors.

9.2 The Authority may suspend some/part of the activities/services of the Licensee where the Licensee is in material breach of the terms and conditions of the License and the Licensee has been notified of the breach of the license and has been given a reasonable notice to comply and failed to comply and even after being issued with a penalty continues with the non-compliance.

9.3 In order to revoke or suspend the license, the Authority must:

9.3.1 notify the Licensee in writing of its intent to revoke License and specific grounds for such revocation, including that such event, change or acquisition would in its

opinion be a material breach of or default under the License terms and conditions or the Act; and confirm that such event, change or acquisition has not been reversed or remedied within the reasonable time specified by the Authority.

10. TECHNICAL REQUIREMENTS

- 10.1 The licensee shall comply with any regulations and any directions issued by the authority in relation to technical standards for communications equipment to be used within the licensed network facilities.
- 10.2 The Licensee shall introduce measures and use its resources to ensure that apparatus in the network including the Terminal Equipment operated by the licensee shall comply with:
- 10.2.1 The requirement of electro-magnetic compatibility, and
 - 10.2.2 The requirement for network interface, both as prescribed in the accordance with international standards and by the Authority's standards
- 10.3 The lines installed, maintained by the Licensee shall throughout the terms of the license conform to such specifications and standards and ITU recommendations as prescribed by the Authority.

11. APPROVAL OF EQUIPMENT

- 11.1 The Licensee shall ensure that its network equipment is Type approved by the Authority.

12. RECORDS AND REPORTING

- 12.1 The Licensee shall keep records in comprehensive detail relating to the license communication infrastructure, including:
- 12.1.1 Identification of the name, type, location and specification for all significant network elements, including switching centers, transmission points, interconnection points, network operation centers and customer care and support centers; and
 - 12.1.2 Performance of its network (including performance against quality of service standards established from time to time by the authority).
- 12.2 The Authority shall have reasonable access to the Licensee's records, personnel and property to enable the authority to carry out effective supervision and enforcement of the conditions and may request additional information in writing from time to time from the Licensee.

13. INTERCONNECTION, ACCESS AND WHOLESALE

- 13.1 The Licensee shall have the right to interconnect its Communication Infrastructure with the network of any other Licensee and communication service provider, at any technically feasible point and on fair and reasonable terms, in accordance with interconnection guidelines and the National Communication Act 2017
- 13.2 The Licensee shall develop and submit Reference Interconnection Offers for the approval by the authority which shall be made publicly available by the Licensee.

14. ACCESS

- 14.1 The Licensee shall grant access to its Communication Infrastructure and facilities to Requesting Licensee under the agreed technical and commercial terms and conditions.
- 14.2 Notwithstanding Clause 14.1 above, the Authority may require the Licensee to grant access to any authorized government agency mandated to access communications infrastructure.
- 14.3 In this Article, access shall include the provision by the Licensee of any Communication Infrastructures, services, or arrangements through which a Requesting Licensee or authorized service provider is able to directly or indirectly make use of:
- 14.3.1 any network resources or service provided by the Licensee; or
 - 14.3.2 any facilities comprised in the provision of services.
- 14.4 The Authority reserves the right to impose a reference access agreement/terms for purposes of achieving specific regulatory objectives.
- 14.5 The Licensee may decline to offer access services only where the Licensee demonstrates to the Authority that its existing network resources or facilities are inadequate for the provision of services sought to be provided by the Requesting Licensee through the Licensee's Communication Infrastructure.
- 14.6 The Licensee shall complete negotiations and execute an access agreement for the provision of access services within 90 (ninety) days of the receipt of a request from the access seeker. The Licensee shall ensure that the Requesting Licensee is given access to its network within ninety days after the execution of the access agreement.
- 14.7 Where the Licensee and access seeker fail to reach a mutual agreement within the specified period in 13.6 above, the Authority may receive and investigate any complaint referred to the Authority arising out of the said matter and make a decision thereon in accordance with the Act.
- 14.8 The terms and conditions on the access services agreement shall provide for the following:
- 14.8.1 rights, duties and responsibilities of the contract parties which are clear and reasonable;
 - 14.8.2 technical details regarding the License System or services to be used in the operations;
 - 14.8.3 standards and quality of access services;
 - 14.8.4 utilization, maintenance or measures on information protection for a fair provision and receipt of access services.
 - 14.8.5 provisions which do not directly or indirectly force either contracting party to unfairly restrict his or her services or to limit his or her discretion to obtain, give or receive services from any other parties;
 - 14.8.6 provisions which do not monopolize, reduce or restrict competition in the business operations of either the contract party or a third party; In this regard, the contract parties shall not determine the period for the access services to be longer than the remaining tenure of the License of the Licensee or the Requesting Licensee.
- 14.9 The Authority may require the Licensee to amend any provision(s) of the access services agreement which the Authority may deem non-compliant with the National Communication Act 2017 and Regulations,

15. ACCESS TO COMMUNICATION INFRASTRUCTURE

- 15.1 The Licensee shall offer to make its Communication Infrastructure available to other Licensees, on fair, reasonable terms.
- 15.2 The Licensee shall offer to provide to other Licensees on a fair wholesale basis the facilities they may require from the Licensee in order to provide any services to its Customers or Users.
- 15.3 The Licensee shall not show undue preference to, or exercise unfair discrimination against, any User or Licensee regarding the provision of any of the network facilities or regarding Interconnection or access.
- 15.4 The Licensee will be deemed to be in breach of this condition if it favors any business carried on by the Licensee, or by an associated company or any Other Operator, so as to place any Other Operator competing with such a business at an unfair disadvantage in relation to the provision of a competitive activity.
- 15.5 The Licensee shall provide the access within forty-five (45) days from the date of request or such other time as may be determined by the Authority.

16. CONTINUITY OF SERVICE

The Licensee shall comply with the reasonable direction of the Authority to ensure the continuity of provision of services to the Licensee customers following the termination or expiry (if not to be renewed) of the License pursuant to such transition process as the Authority shall reasonably require.

17. NOTIFICATION OF CHANGE IN SHAREHOLDING

- 17.1 No direct or indirect sale, transfer or other divestiture of shares in the Licensee (or any of the Licensee's direct or indirect shareholders) representing fifteen (15) per cent or more of the shares then in issue in the Licensee shall be effected without the prior written approval of the Authority, nor shall there be any direct or indirect sale, transfer or other divestiture of shares in the Licensee (or any of the Licensee's direct or indirect shareholders) to a shareholder already holding or as a result of such sale or transfer would hold fifteen (15) per cent or more of the shares then in issue in the Licensee without prior written approval of the Authority.
- 17.2 The Authority shall be notified of the material terms of the proposed sale, transfer or divestiture, the identification of the proposed transferee and of any other information that may be reasonably requested by the Authority.
- 17.3 The Authority shall approve or reject such a sale, transfer or other divestiture within thirty (30) days of being notified of the intended sale, transfer or other divestiture.
- 17.4 For the purposes of Clause 17.1, the Authority may reject any sale, transfer or other divestiture of shares or impose such restrictions or conditions thereon as the Authority deems appropriate taking into account in its sole discretion:
- 17.4.1 the effect on the competitiveness of the relevant market in Communication Services;
- 17.4.2 matters of national security and any other valid considerations under applicable law.

18. BILLING

- 18.1 The Licensee shall ensure that its billing system is accurate.
- 18.2 The Licensee shall at all times during the term of this License make available to customers clear and intelligible terms of service, including the charges for service.

18.3 In the event of a dispute between the Licensee and a customer, the Authority may resolve such dispute at the request of the Licensee and the customer.

19. QUALITY OF SERVICE REQUIREMENTS

19.1 The Licensee shall meet the quality of service requirements as may be prescribed by the Authority from time to time.

19.2 The Authority reserves the right, upon reasonable notice to the Licensee, to review the quality of service requirements periodically.

19.3 The Licensee shall enter into a Service Level Agreement (SLA) with a Requesting Licensee to ensure the connectivity provided is of an agreed quality.

19.4 The Licensee shall keep a record of number of faults and rectification reports in respect of the service, which will be produced before the authority as and when and in whatever form desired.

20. COMPLIANCE WITH LAWS AND REGULATIONS

20.1 The Licensee shall observe all applicable laws and Regulations.

20.2 Nothing in this License shall be taken as discharging the Licensee from its obligations to obtain any other licenses, permits or approvals that may be required under any law or regulation in force in the Federal Republic of Somalia

21. INTERRUPTION OF COMMUNICATION INFRASTRUCTURE

21.1 The Licensee shall not intentionally interrupt the operations of the Communication Infrastructure or any part thereof, or the services provided to any Requesting Licensee, in the normal course of business, nor shall it in the normal course of business suspend the provision of any type of connectivity without having first sought and obtained approval from the Authority in writing and subsequently providing reasonable advance notice to persons likely to be affected by such interruption or suspension.

21.2 In the event of unintentional/unforeseen interruption of the Communication Infrastructure or part thereof, which are significant in nature, the Licensee shall inform the public and notify the Authority in writing within 24 hours outlining the cause of such interruption and the steps being taken to rectify such interruption.

22. TECHNOLOGY NEUTRALITY

Licensee may use any wireless telecommunications standard that has been approved by recognized standards bodies for the provision of telecommunications services in the licensed spectrum.

23. COMPETITION

The Licensee shall not engage in any conduct that has the purpose or effect of lessening competition in any market for communications services.

24. RIGHTS OF WAY

Subject to applicable laws and Regulations, the Licensee shall have access to public and private property for the construction, operation, and maintenance of the Licensed System, subject to the requirement to pay appropriate compensation for any such use of public or private property and to repair any damage caused by such access to and use of public or private property.

25. EMERGENCY SERVICES

The Licensee shall provide access to rescue and emergency services including calls to local emergency service organizations such as police and ambulance as set forth by the Authority.

26. PENALTIES AND FINES

26.1 In the event that the Licensee is found to be in a material breach of the provisions of this License, the Authority may impose a fine in such an amount as the Authority determines provided that such amount is proportionate to the gravity of the breach.

26.2 The Licensee shall promptly pay or otherwise comply with any penalty or fine imposed by the Authority in accordance with Clause 26.1 above.

27. FORCE MAJEURE

The Licensee shall not be held to have failed to comply with any term or condition under this License if it is caused by primarily and directly by an event of Force Majeure.

28. INDEMNITY

A Licensee shall indemnify the Authority against any claims of proceedings arising from any breach or failings on the part of the Licensee.

29. SAFETY MEASURES

A Licensee shall, when installing its communications systems, take all reasonable steps to:

- 29.1 Observe international standards and practices.
- 29.2 Protect the safety of persons and property.
- 29.3 Protect the environment in accordance with environmental laws.

30. PRIVACY AND CONFIDENTIALITY

The Licensee shall at all time protect the privacy and confidentiality of customers' data and of customers' communication.

31. GOVERNING LAW

This License shall be governed by and construed according to the laws of the Federal Republic of Somalia.

32. DISPUTE RESOLUTIONS

The dispute settlement mechanism set out in the Act and/or Regulations shall apply to any dispute or disputes that arise out of the provisions of this License.

33. GENERAL PROVISIONS

33.1 The Licensee shall ensure at all times that:

33.2 The Licensee complies with all obligations under this License.

33.3 The Licensee has the technical qualifications to fully perform the obligations attaching to the License;

33.4 Any Notice or other document required or authorized to be served upon the Licensee under this License, may be served by addressing it to the Licensee and delivering it to the Licensee's registered office or dispatching it to the Licensee's registered office by courier.

33.5 This License and the terms and conditions hereof, shall constitute the entire grant of the License and supersede any prior Licenses, permits or undertakings.

33.6 If a provision of or part of this License is deemed invalid or not in accordance with the applicable law, the remainder of this License shall remain valid and enforceable.

33.7 To the extent that this License refers to specific parts or sections of the Telecommunications Regulation, such parts or sections shall be deemed renumbered in this

License according to any such renumbering of those parts or sections in the Telecommunications Regulation, as a result of the amendment of that Regulation.

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