



**NATIONAL COMMUNICATIONS
AUTHORITY FEDERAL REPUBLIC OF
SOMALIA**

**MOBILE VIRTUAL NETWORK OPERATOR (MVNO)
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: ASP/MVNO/I/2020/00X

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LICENSE DATED [XX/XX/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 a **Mobile Virtual Network Operator (MVNO)** License to [XXXXXX] (the “Licensee”) and authorizes the Licensee to provide Communication Services using the network of another Mobile Network Operator, in the Federal Republic of Somalia in accordance with the Terms and Conditions set forth herein (the “License”).

This License is issued on XX/XX/2020 (the “Issuance Date”) under license number [**LICENSE NO: ASP/MVNO/1/2020/00X**] 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.

“Mobile Virtual Network Operator (MVNO)” means is an operator that offers mobile services but does not own network infrastructure, it can be a mobile service provider or a value-added service provider, providing services through an agreement with a mobile network operator to obtain access to network services.

“Mobile Network Operator (MNO)” also known as a wireless service provider, wireless carrier, cellular company, or mobile network carrier, is a provider of wireless communications services that owns or controls all the elements necessary to deliver services to end-users, including radio spectrum allocation, wireless network infrastructure and other necessary components

“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 provide application and Services;

“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. SCOPE OF THE LICENSE

2.1 The licensee shall provide services within the scope of service of the parent Mobile Network Operator, subject to the agreement between the Mobile Network Operator and the MVNO.

3. DURATION AND RENEWAL OF THE LICENSE

3.1 This License is granted from the Effective Date for a period of Fifteen (15) 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. LICENSED SERVICES

4.1 Licensed services are non-infrastructure-based mobile services through the agreement with a Mobile Network Operator.

5. LICENSE FEES

The Licensee shall pay to the Authority:

5.1 License Application Fee \$5,000

5.2 Initial Fee of \$100,000

5.3 Annual Administration Cost Fee of \$10,000 payable on 31st of January each year.

6. ELIGIBILITY CONDITIONS

- 6.1 The Licensee shall fulfil all mandatory points in the agreement guidelines issued by the authority between the MNO and the MVNO.
- 6.2 The Licensee shall have an agreement with a Mobile Network Operator before applying for a license.
- 6.3 The agreement shall be in compliance with the guidelines issued by the Authority.
- 6.4 The agreement shall not violate the license terms and conditions or applicable Regulations.
- 6.5 The licensee should notify and submit to the Authority the agreement with the MNO.
- 6.6 If there is a change in the agreement, the authority should be notified within 30 days.

7. DISPUTE/TERMINATION OF MVNO AGREEMENT

- 7.1 In case of a dispute between MVNO and MNO, the procedure for resolution of dispute would be the same as that being followed for disputes between MNOs and as per their agreement.
- 7.2 In case the Licensee (MVNO) wants to exit the business:
 - 7.2.1 The Licensee to give six months' notice to customers, MNO, the Authority before stopping the services.
 - 7.2.2 The subscribers of the MVNO shall continue to receive services under the parent MNO as per the agreement.

8. MODIFICATION OF THE LICENSE

- 8.1 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.
- 8.2 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.

9. RESTRICTION ON TRANSFER OF LICENSE

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

- 9.1 subcontract, assign, pledge or otherwise transfer to another Person this License or any rights under it; or
- 9.2 dispose or agree to dispose of all or substantially all of the assets and undertaking of the Licensee; or
- 9.3 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.
- 9.4 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.

10. REQUIREMENT TO FURNISH INFORMATION:

10.1 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.

10.2 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.

11. REVOCATION OR SUSPENSION OF THE LICENSE

11.1 This License may not be terminated prior to the expiry of its term except in accordance with Clause 11.1.1, 11.1.2, 11.1.3 or 11.1.4 below:

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

11.1.2 This license shall be co-terminus with the validity of the license of the parent MNO. This license shall be automatically get terminated if the license of the parent MNO is terminated or ceases to exist.

11.1.3 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;

11.1.4 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.

11.2 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.

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

11.3.1 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

11.3.2 confirm that such event, change or acquisition has not been reversed or remedied within the reasonable time specified by the Authority.

12. RECORDS AND REPORTING

12.1 The licensee shall keep written records in comprehensive detail relating to the licensed services and application as the authority may prescribe, including;

12.1.1 The performance of its application and services, including the performance against any quality of service standards established from time to time by the authority.

12.2 All records of the licensee should be kept in secure locations and secure formats designed to ensure their preservation. Performance related data should be retained for a minimum of one (1) year.

13. 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.

14. NOTIFICATION OF CHANGE IN SHAREHOLDING

14.1 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.

14.2 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.

14.3 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.

14.4 For the purposes of Clause 14.1, 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:

14.4.1 the effect on the competitiveness of the relevant market in Communication Services;

14.4.2 matters of national security and any other valid considerations under applicable law.

15. CUSTOMER CARE SERVICES

- 15.1 The Licensee shall establish and maintain efficient information services to assist any person to answer questions regarding products, services, and any other reasonable questions relating to the Licensed Services.
- 15.2 The licensee shall provide, facilities for the provision of customer care services which shall include but not limited to:
- 15.2.1 Dedicated customer care lines accessible at no fee;
 - 15.2.2 Customer care offices/points
 - 15.2.3 The Licensee shall submit a customer care, complaints handling procedures to the Authority within sixty days (60) days from License Effective Day.
 - 15.2.4 The licensee shall provide facilities for customer cares services that meet the standards as specified by the Authority from time to time.

16. BILLING

- 16.1 The Licensee shall ensure that its billing system is accurate.
- 16.2 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.
- 16.3 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.

17. QUALITY OF SERVICE REQUIREMENTS

- 17.1 The Licensee shall meet the quality of service requirements as may be as prescribed by the Authority from time to time
- 17.2 The Quality of Service requirement, together with Service Level Agreement (SLA) shall be included in the agreement between the Licensee (MVNO) and the MNO.
- 17.3 The Authority reserves the right, upon reasonable notice to the Licensee, to review the quality of service requirements periodically.
- 17.4 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.

18. COMPLIANCE WITH LAWS AND REGULATIONS

- 18.1 The Licensee shall observe all applicable laws and Regulations of the Federal Republic of Somalia, including, but not limited to, the National Communication Act, any Regulations issued by the Authority and any other Communication Legislation.
- 18.2 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

19. INTERRUPTION OF LICENSED SERVICES AND PLATFORMS

- 19.1 The Licensee shall intentionally interrupt nor suspend the provision of any type of Licensed Services and Platforms without having first notified the authority in writing and having provided reasonable advance notice to persons affected by such interruption or suspension.
- 19.2 In the event of an unintentional/unforeseen interruption of the Licensed services or part thereof, the licensee shall inform the public and notify the authority in writing within 24 hours outlining the cause of such interruption, and the steps taken to rectify such interruption
- 19.3 The provision in 19.1 shall not apply if the interruption of service is the result of subscriber disconnection as the result of non-payment or other business related or contractual reasons.

20. COMPETITION

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

21. 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.

22. PENALTIES AND FINES

- 22.1 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.
- 22.2 The Licensee shall promptly pay or otherwise comply with any penalty or fine imposed by the Authority in accordance with Clause 22.1 above.

23. 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.

24. INDEMNITY

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

25. SAFETY MEASURES

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

- 25.1 Observe international standards and practices.
- 25.2 Protect the safety of persons and property.
- 25.3 Protect the environment in accordance with environmental laws.

26. PRIVACY AND CONFIDENTIALITY

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

27. GOVERNING LAW

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

28. GENERAL PROVISIONS

- 28.1 The Licensee shall ensure at all times that:
- 28.2 The Licensee complies with all obligations under this License.
- 28.3 The Licensee has the technical qualifications to fully perform the obligations attaching to the License;
- 28.4 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.
- 28.5 This License and the terms and conditions hereof, shall constitute the entire grant of the License and supersede any prior Licenses, permits or undertakings.
- 28.6 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.
- 28.7 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.