



هيئة الاتصالات وتقنية المعلومات
Communications & Information
Technology Commission

طلب مرئيات العموم حول مذكرة معلومات
مزداد الطيف الترددي في النطاق ٢١٠٠ ميگاهرتز
للشبكات غير الارضية

تاريخ النشر: ٢٠٢١/١٠/٠٧م
آخر موعد لاستقبال المرئيات: ٢٠٢١/١٠/٣٠

المقدمة

استمراراً لجهود هيئة الاتصالات وتقنية المعلومات (CITC) في تمكين الاستثمار في الخدمات اللاسلكية وتعزيز المنافسة لضمان توفير خدمات اتصالات ذات موثوقية عالية، ونشر أحدث التقنيات الرقمية الناشئة والمبتكرة في المملكة، واستكمالاً لتنفيذ "خطة تمكين الاستخدام التجاري والمبتكر من الطيف الترددي في المملكة ٢٠٢١ - ٢٠٢٣"، فقد قامت الهيئة بإعداد طلب مرئيات العموم حول مذكرة معلومات مزاد الطيف الترددي للشبكات غير الأرضية في النطاق الترددي ٢١٠٠ ميگاهرتز المخطط عقده في العام الحالي ٢٠٢١م.

الغرض من الوثيقة

تهدف هذه الوثيقة إلى استطلاع المرئيات حول طرح ترددات النطاق ٢١٠٠ ميگاهرتز في المزاد بالإضافة إلى عناصر تصميم المزاد المختلفة بما فيها الخدمات والتقنيات الراديوية الرقمية المقترحة تقديمها من خلال هذه الترددات، والشروط والالتزامات المرتبطة بالمزاد، وأيضاً آلية الترشيح والمنافسة للدخول في المزاد والأسعار الافتتاحية للترددات ونماذج التقديم والمعلومات الأخرى ذات العلاقة.

إرسال المرئيات

تدعو الهيئة جميع الجهات ذات العلاقة والمهتمين داخل وخارج المملكة من كافة القطاعات على تقديم مرئيات والملاحظات على هذه الوثيقة، وذلك في موعد أقصاه ٢٠٢١/١٠/٣٠م، مع أهمية تفصيل حيث تحت الهيئة المهتمين على تقديم الملحوظات والمرئيات ودعمها بالمبررات متى ما أمكن ذلك.

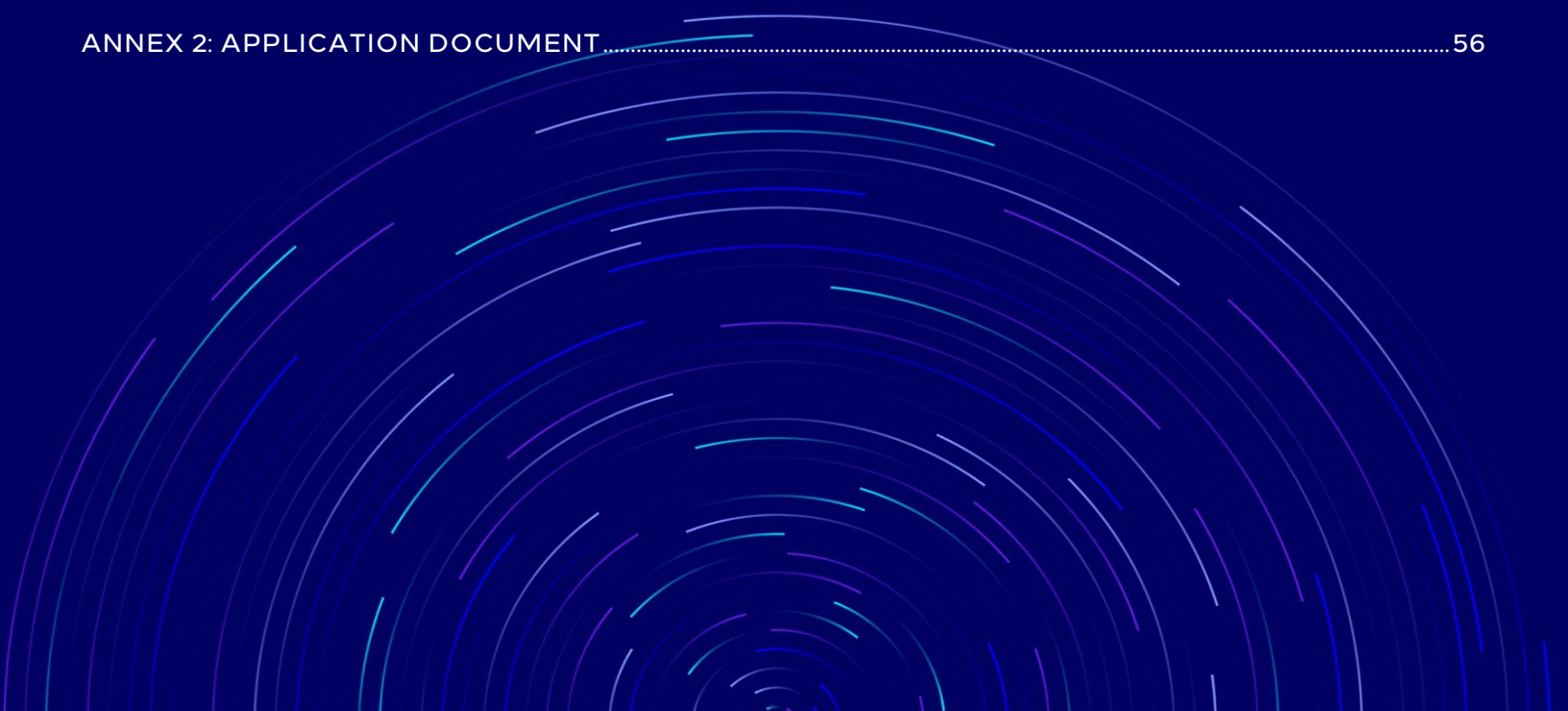
ويمكن تقديم المرئيات على هذه الوثيقة على عنوان أو أكثر من العناوين التالية:

- عبر البريد الإلكتروني إلى (auktion@citc.gov.sa)
- تسليمها باليد (ورقياً وإلكترونياً) في مقر الهيئة.
- عبر البريد (نسخة ورقية وإلكترونية) على العنوان البريدي التالي: هيئة الاتصالات وتقنية المعلومات، حي النخيل - تقاطع شارع الأمير تركي بن عبد العزيز الأول مع طريق الإمام سعود بن عبد العزيز، ص.ب. ٧٥٦٠٦، الرياض ١١٥٨٨، السعودية شبه الجزيرة العربية.

ويرجى من المشاركين عند إرسال مرئياتهم تحديد تفاصيل الاتصال (اسم المشارك-العنوان-رقم الهاتف). علماً بأن ما يتم تقديمه في هذا الشأن لا يعتبر ملزماً للهيئة كما أن جميع الإجابات الواردة على طلب المرئيات لن يتم نشرها.

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PREAMBLE - HOW TO RESPOND & NEXT STEPS

Introduction

The Communications and Information Technology Commission (CITC) is responsible, in accordance with the Telecom Act, Telecom Act Bylaw and CITC Ordinance; for managing radio spectrum for all users in the Kingdom of Saudi Arabia.

CITC continues to pursue its mission to protect consumers, promote investment and safeguard competition in order to ensure reliable communications services and innovative digital technologies, and is pleased to publish a Public Consultation document on its Information Memorandum for the “Spectrum auction of 2100 MHz Radio Licenses for Non-Terrestrial Networks”.

Scope and objective

The purpose of this public consultation is to provide the relevant interested parties with an opportunity to submit their views and comments on the Information Memorandum for the “Spectrum Auction of NTN in the 2100 MHz Band”. The Information Memorandum was prepared to achieve the vision of CITC to unlock the potential of radiocommunication in Saudi Arabia by promoting the development of innovative radio technologies which include, but are not limited to, non-terrestrial networks.

Submitting comments

Participants who wish to submit their views/comments on this Public Consultation Document must submit them to CITC no later than 30 October 2021. Views/comments can be submitted to one or more of the following addresses:

- By email to (auction@citc.gov.sa).
- Hand-delivered (paper and electronic) at the CITC premises.

- By mail (paper copy and electronic) to the following postal address: Communications and Information Technology Commission, Al-Nakheel District- Prince Turki Bin Abdul Aziz I Street intersection with Imam Saud Bin Abdul Aziz Road, PO Box 75606, Riyadh 11588, Saudi Arabia.

CITC invites all members of the public, including individuals, public organizations, and commercial entities to engage in this process by submitting comments. Participants are invited to provide their views in detail. CITC also encourages Participants to support their comments with relevant data, analysis, benchmarking studies and other information. CITC will take all comments into consideration during its deliberation process, but CITC is under no obligation to adopt the comments or proposals of any participant.

IMPORTANT NOTICE

Terms and expressions used in this Important Notice are as defined in this Information Memorandum.

This Information Memorandum has been prepared by the Communications and Information Technology Commission (CITC) in connection with the proposed grant of Radio Licenses for additional channels in the 2100 MHz band by means of a competitive auction, pursuant to the Telecom Act of Saudi Arabia and CITC's Spectrum Outlook, published March 2021.

Based on the responses received by CITC on Spectrum Auction 2021 – Preliminary Consultation, CITC has updated timeline of the spectrum auctions to have 2 auctions for (2100) MHz on Q4 2021, and for (600, 700, 700 SDL and 3800) MHz on Q1 2022.

This Information Memorandum is for informational purposes only. It is made available on the express understanding that it will be used for the sole purpose of assisting an interested party in deciding whether it wishes to participate in the award process.

This Information Memorandum is not intended to form any part of the basis of any investment decision or other evaluation of any decision to participate in the award process and should not be considered as a recommendation by CITC or CITC's advisers to participate in the award process. Each interested party must make its own independent assessment of the potential value of the offered Radio Licenses after making such investigation as it may deem necessary. All information contained in this Information Memorandum may be updated or amended at any time.

While the information contained in this Information Memorandum is accurate as at the date indicated on page 1, neither CITC nor any of CITC's advisers nor any of their respective directors, partners, officers or employees make any representation or warranty (express or implied) nor has nor will have any responsibility or liability in relation to the accuracy or completeness of the information contained in this Information Memorandum or any other written or oral information made available to any interested party or its advisers. Any

responsibility or liability in respect of any such information or any inaccuracy in this Information Memorandum or omission from this Information Memorandum is expressly disclaimed.

This Information Memorandum does not constitute an offer or invitation to participate in the award process.

Interested parties should make their own investigation and decisions, including consulting with their own professional advisers on the financial, legal, auction practice and other matters, concerning any potential participation in the award process or any grant of a Radio License.

1. INTRODUCTION

- 1.1. The Communications and Information Technology Commission (CITC) is the authority in charge of regulating and promoting the communications and information technology industries in the Kingdom of Saudi Arabia (KSA). Pursuant to the Telecom Act and CITC's Spectrum Outlook (published March 2021), CITC will offer to grant Radio Licenses in the 2100 MHz band, allocated according to the process described in this Information Memorandum ("award process"). A Radio License will permit the use of the respective spectrum blocks to operate a telecommunication system for the purposes of providing telecommunication services. This Information Memorandum contains important information that interested parties should read and understand for the purpose of participating in the award process.
- 1.2. This Information Memorandum is provided for parties interested in participating in the Spectrum Auction of 2100 MHz radio licenses for NTN and contains:
 - (a) a description of the spectrum to be awarded;
 - (b) information relevant to this award regarding future spectrum releases;
 - (c) a description of the award process, including Application Stage, Qualification Stage, Allocation Stage and Grant Stage; and
 - (d) a timetable for the award process.

2. ABBREVIATIONS

3GPP	3rd Generation Partnership Project
A2G	Air to Ground
CGC	Complementary Ground Component
EAS	Electronic Auction System
ECC	Electronic Communications Committee
FDD	Frequency division duplex
ICAO	International Civil Aviation Organization
IMT	International Mobile Telecommunications
IoT	Internet of Things
ITU	International Telecommunication Union
KSA	Kingdom of Saudi Arabia
MSS	Mobile Satellite Services
MIFR	Master International Frequency Register
NTN	Non-terrestrial network
SMRA	Simultaneous multiple round ascending auction
TT&C	Telemetry, Tracking & Command
USL	Facilities-Based Unified Telecommunications Services License

3. SPECTRUM TO BE AWARDED

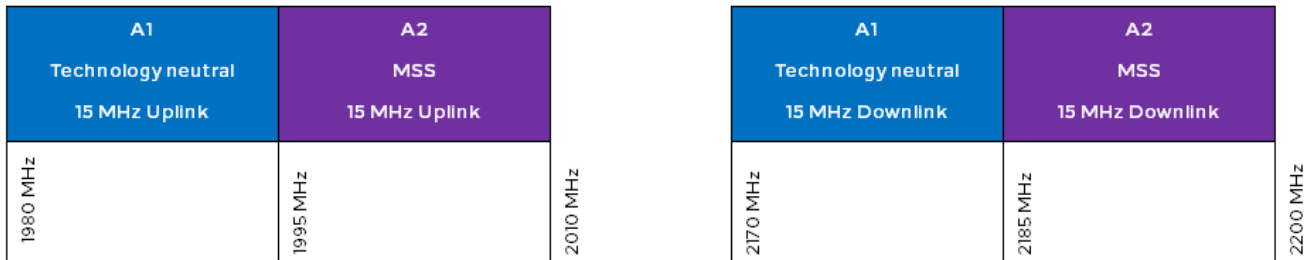
Available frequencies

3.1. A total of 2x30 MHz of paired spectrum will be assigned in this award in the frequencies 1980-2010 MHz (uplink) and 2170-2200 MHz (downlink)

Available blocks

3.2. CITC will package spectrum in the award into two 2x15 MHz blocks. The frequency positions of each of these blocks is set out in Figure 1.

FIGURE 1: FREQUENCY POSITIONS OF SPECTRUM BLOCKS AVAILABLE IN THE AUCTION



3.3. CITC shall not prescribe any specific technology to be used in Block A1, except requiring:

- (a) adhering to the Frequency Division Duplex (FDD) scheme and otherwise complies with ITU and 3GPP standardised band plans and ITU regulations as well as any technical parameters specified by the ICAO;
- (b) adhering the interference mitigation measures proposed in ECC Report 233.¹

¹ ECC Report 233, May 2015, Adjacent band compatibility studies for aeronautical CGC systems operating in the bands 1980-2010 MHz and 2170-2200 MHz, <https://docdb.cept.org/download/1208>

3.4. Block A2 is limited initially to the provision of Mobile Satellite Services (MSS). The associated Radio License will only allow the provision of MSS with this block subject to adhering to the FDD scheme and otherwise complying with relevant ITU bandplans and regulations. The winner of Block A2 may subsequently apply for an upgrade of its license to authorise the use of terrestrial technologies, including a complementary ground component (CGC), once commercial MSS products are provided to Saudi consumers with the MSS license (see Paragraph 3.15).

IMPORTANT NOTE: This limitation, along with the obligations specified in 3.16, are set to ensure that MSS services can be efficiently provided in KSA. Nevertheless, the intention is not to exclude operation of other technologies in block A2 such as IMT or A2G. CITC invites all interested stakeholders to provide their views, supported by detailed justifications, on the limits and conditions that would enable the provisioning of MSS services in conjunction with other services in Block A2 (such as IMT or A2G).

3.5. A license holder wishing to provide satellite services in either Block A1 or Block A2 will need to comply with the following:

- (a) ITU-R radio regulations as well as procedures for registering gateways in the ITU-R MIFR for international protection.
- (b) ITU-R Recommendations and Resolutions for coexistence of services in the S-band.

3.6. The available spectrum will be auctioned in a simultaneous multiple round ascending (SMRA) auction.

3.7. Under this approach, each bidder has the opportunity to bid for a specific block and has certainty that, if its bids are accepted as winning bids, it will be assigned the specific frequencies associated with that block.

3.8. The available blocks in the auction are set out in Table 1.

IMPORTANT NOTE: Considering the technology trends and the possibility of utilizing larger channel bandwidths for the auctioned channels, and in line with CITC’s objective to have wider contiguous frequency channels, CITC might consider the option of auctioning a single (2*30) MHz block. CITC invites all interested stakeholders to provide their views, supported by detailed justifications, on the block size of the auctioned channel(s) and how using larger channels such as a single (2*30) MHz block would better enable the provisioning of services in the band.

TABLE 1: AVAILABLE SPECTRUM BLOCKS IN THE AUCTION

Block	BW (MHz)	Frequencies	Eligibility points per block
A1	2x15	1980 – 1995 MHz / 2170 – 2185 MHz	1
A2	2x15	1995 – 2010 MHz / 2185 – 2200 MHz	1

Eligible applicants

3.9. The auction is open to both entities that hold a Facilities-Based Unified Telecommunications Services License (USL) as well as entities that can demonstrate that they are already providing services in the S-Band.

3.10. Any successful bidder that already holds a USL can provide any terrestrial or non-terrestrial service using the spectrum acquired in the auction.

3.11. Applicants that do not already hold a USL will need to apply for a separate Class (B) license to provide any specific telecommunications service at application as set out in Table 2, and for more information, please check CITC’s investor guide.² The

² See CITC’s investor guide for more detail: <https://www.citc.gov.sa/ar/services/licensing/Documents/Investorguideen.pdf>

detailed requirements on applicants without a USL during both the application and qualification stage are set out in Paragraph 6.5. Any successful bidder also agrees to establish a local presence in the KSA if it does not already have one. If the license holder of block A1 (or the holder of A2 after it has been granted an upgrade) does not hold a USL, it cannot on its own provide mobile terrestrial communications direct to mobile handsets or A2G services. To provide these services, it will have to sublease/trade its spectrum to a holder of a USL. CITC has already consulted on spectrum trading and is planning to publish its policy on spectrum trading later this year.³

³ See CITC's public consultation on Spectrum Trading and Secondary Markets: <https://www.citc.gov.sa/en/new/publicConsultation/Pages/144208.aspx>

TABLE 2: REQUIRED SERVICE LICENSES

Service provided	Required service license
Terrestrial IMT	<p>Only holders of a USL are allowed to provide these services.</p> <p>The license holder of block A1 (or the holder of A2 after it has been granted an upgrade) can partner with or sublease/trade its spectrum to an existing holder of a USL so that these services can be provided.</p>
Mobile satellite services (MSS) including MSS IoT	<p>USL</p> <p>Class (B) Service License for “Broadband Satellite Services” or for “Operation Systems and Networks of the Global Mobile Personal Communications Services (GMPCS)” as appropriate</p>
Internet Services on Airplanes (A2G, provided by a terrestrial network)	<p>USL.</p> <p>For any other entity, CITC will study to develop a new Class (B) Service License for this particular service if required.</p>
Other innovative services	<p>A license holder who wishes to provide other services using this spectrum and who does not hold a Facilities-Based Unified Telecommunications License should contact CITC</p> <p>CITC will study any requests and consult with the industry about the addition of new Class (B) Service Licenses as necessary</p>

Spectrum caps

3.12. There is no spectrum cap in this auction. Bidders can bid for and acquire either one or both blocks listed in Table 1 above.

License terms and conditions

3.13. The new spectrum blocks will be assigned to the winning bidders by means of issuing new NTN Radio Licenses. The Radio Licenses for the newly awarded blocks will follow the standard format (see Annex 2) and the same general terms and conditions as applied for previously licensed spectrum.

3.14. The Radio License for Block A1 will authorise the use of the associated frequencies for any technology. It will come with the following obligations:

- The license holder will be required to demonstrate from 1 January 2023 onwards on an annual basis that the associated frequencies are being used to provide commercial services that are being actively marketed and purchased by consumers in the KSA. To this end, the license holder is required to provide the following information to CITC by 1 January of each relevant calendar year:
 - Population coverage achieved so far and areas covered
 - Summary information about the points of sale in the KSA (including any online offerings)
 - Summary information about the different types of services and plans offered to consumers
 - Summary information about the number and type of subscribers in the KSA.

- The license holder is required to offer broadband services on board commercial flights using Air-To-Ground (A2G) on the following routes by 1 January 2023:
 - Riyadh – Jeddah
 - Riyadh – Dammam
 - Riyadh – Madinah
 - Jeddah – Dammam
 - Jeddah – Madinah
 - Dammam – Madinah

The license holder is further required to offer services on all commercial flight routes in KSA by 1 January 2024. The license holder also agrees to provide reports and evidence as requested by CITC to demonstrate that these two requirements are met.

3.15. The auctioned Radio License(s) for Block A2 will authorise the use of the associated frequencies for the provision of MSS (including in its most innovative forms such as satellite-based 5G NTN). The holder of the Radio License for Block A2 may apply for an upgrade to its license once it is providing MSS in the KSA with the frequencies associated with the Radio License. CITC will consider the upgrade if the holder of the Radio License for Block A2 can demonstrate that consumers in the KSA can subscribe to the MSS and that MSS handheld devices are being actively marketed and purchased by consumers in the KSA. Note that based on CITC regulations, those who desire to provide communication and information technology services must obtain a license covering the specific services they wish to provide as set out in Paragraphs 3.10 and 3.11.

3.16. Block A2 comes with the following obligations:

- The license holder will be required to demonstrate from 1 January 2023 onwards on an annual basis that consumers in the entire KSA can subscribe to the MSS and that MSS handheld devices are being actively marketed and purchased by consumers in the KSA. To this end, the license holder is required to provide the following information to CITC by 1 January of each relevant calendar year:
 - Coverage of the MSS including location of relevant satellites
 - Summary information about the points of sale in the KSA (including any online offerings)
 - Summary information about the number and types of devices marketed to consumers in the KSA
 - Summary information about the different types of services and plans offered to consumers
 - Summary information about the number of devices purchased by consumers in the KSA
 - Summary information about the number and type of subscribers in the KSA.

This requirement is unaffected by any future upgrade of the license.

- The license holder is required to protect any future narrowband MSS use in the frequency range 2180 – 2185 / 2195 – 2200 MHz as and when such use is authorized by CITC and notified to the license holder.⁴ This obligation is unaffected by any future upgrade of the license. Applications for narrowband

⁴ Note that CITC has not yet finalized the authorization regime for narrowband use, CITC is minded to establish protection measures for any such future narrowband MSS (filtering and power) that aim to minimize the impact on the holder of the Radio License for Block A2.

MSS use include, but are not limited to, satellite IoT and Telemetry, Tracking & Command (TT&C).

The process for resolving cases of radio interference

- 3.17. Licensees may report cases of interference affecting their licensed radiocommunications services through an online application on the CITC website. Licensees are required to register a login account in order to activate this service.
- 3.18. CITC will investigate cases of radio interference reported by licensees. If bona fide interference source(s) are identified, CITC will endeavour to resolve the interference in a timely manner, within the framework of the KSA's laws and the ITU Radio Regulations.

The 2100 MHz interference environment:

- 3.19. The Blocks A1 and A2 are free of existing licensed users within the KSA.
- 3.20. Prospective bidders in the auction should note the interference measures set out in Paragraphs 3.3, 3.4 and 3.5. Prospective bidders are encouraged to study them carefully and, if necessary, conduct their own tests as part of due diligence before bidding on specific blocks in the auction.

Duration and start date of the licenses

- 3.21. The duration of the licenses for newly awarded spectrum will be 11 years, commencing 1 January 2022 and ending 31 December 2032.
- 3.22. Prospective bidders in this auction should note that CITC may decide to reassign this spectrum through a future competitive award process following the expiry of these 11-year licenses. The spectrum rights awarded in this auction do not come

with an automatic right of renewal when they expire. CITC will decide on the appropriate assignment mechanism closer to the time of license expiry.

Spectrum and Auction Fees

- 3.23. New spectrum allocated in this award is subject to a License Fee. This License Fee consists of a series of annual payments, as set out here and in Table 3. The License Fee is payable to CITC in 11 equal instalments, (rounded to the nearest SAR). The first instalment is due 90 days after the Radio License has been granted. The remaining 10 instalments are payable each year on or before 1 January, starting 1 January 2023. “
- 3.24. For any license holder without a USL, the License Fee will be payable once the licence holder has been granted the separate Class (B) license(s) it applied for during the Application Stage.
- 3.25. If the holder of the Radio License for Block A2 is granted an upgrade to its Radio License as per Paragraph 3.15, it will also be required to pay an additional annual Upgrade Fee of SAR 34,700,000, payable for each full calendar year the upgraded Radio License is in effect. The Upgrade Fee is due on or before 1 January for each such calendar year.
- 3.26. Other than the License Fee and the Upgrade Fee, if relevant, as described in Paragraphs 3.23 and 3.25 , no further annual radio spectrum usage fees shall apply to this spectrum for the initial 11 year term of the Radio License. Annual fees may apply thereafter according to the schedule of radio spectrum usage fees valid at the time, if the license term is extended or renewed.
- 3.27. The minimum amount of the License Fee for each block is the Reserve Price as set out in Table 3. The actual amount of the License Fee will depend on the Winning Prices for the individual blocks, as determined by bidding in the auction.

TABLE 3: RESERVE PRICE AND PAYMENT STRUCTURE (SAR)

Block	Reserve Price (minimum License Fee) (SAR for 11-year license duration)	Annual Payments (percent of License Fee for 11 years)	Minimum Annual Payment (if the Block is acquired at the Reserve Price)
A1	396,000,000	100%/11 = 9.0909%	36,000,000
A2	14,300,000 (for MSS use only and therefore exclusive of the annual Upgrade Fee of SAR 34,700,000 set out in Paragraph 3.25)	100%/11 = 9.0909%	1,300,000

3.28. In addition, participants in the auction that are identified as the winning bidder for a license will be required to pay the following Auction Participation Fee, as applicable, prior the Grant of their License:

- SAR 1,000,000 if they are awarded a single block;
- SAR 2,000,000 if they are awarded both blocks.

3.29. If the recipient of spectrum awarded in this auction later decides to relinquish a Radio License and return the spectrum rights to CITC prior to expiry, then the recipient shall not be entitled to a refund of any fees and, at the discretion of the CITC, may be excluded from bidding for the blocks being returned should they be re-awarded within the original license term. For the avoidance of doubt, any outstanding annual payments for the license fee would still be payable to CITC.

4. THE REGULATORY OUTLOOK FOR SPECTRUM IN SAUDI ARABIA

4.1. This section provides relevant information about the regulatory framework for spectrum awards and deployment of services using spectrum, including CITC's Spectrum Outlook. It is not intended to be exhaustive. Prospective bidders are advised to familiarise themselves with the legislation, policies and codes of practice identified below.

The regulatory authority and guiding legislation

4.2. CITC is the authority in charge of regulating the communications and information technology industries in the KSA.

4.3. CITC work is generally governed and guided by provisions of the following legislative acts:

- (a) Telecom Act⁵;
- (b) Telecommunications Act Bylaws⁶; and
- (c) CITC Ordinance⁷.

4.4. This competitive award of NTN Radio Licenses is carried out by CITC as indicated in its Spectrum Outlook for Commercial and Innovative Use 2021-2023.⁸

5 Issued under the Council of Ministers resolution No.(74), dated 05/03/1422H, and approved pursuant to the Royal Decree No.(M/12), dated 12/03/1422H.

6 Issued under the Minister of PTT resolution No. (11), dated 17/05/1423H.

7 Issued under the Council of Ministers resolution No. (74) dated 05/03/1422H, and further amended under the Council of Ministers resolution No. (133), dated 21/05/1424H.

8 Spectrum Outlook for Commercial and Innovative Use 2021 – 2023, <https://www.citc.gov.sa/en/mediacenter/pressreleases/Pages/2021033001.aspx>

Policy and regulations for frequency bands identified for IMT and beyond

- 4.5. CITC has published the updated regulatory document titled “Allocation and Use Regulation for Spectrum Bands Identified for IMT”⁹. This document regulates the Spectrum Identified for IMT and sets out the regulations relevant to frequencies mentioned in this document. Amongst other issues, it sets out CITC’s position on license renewal, spectrum use fees, and enforcement of license terms.

Upcoming spectrum auctions

- 4.6. CITC is making continuous efforts to advance availability of spectrum for all users and services. While the auction in 2021 will focus on spectrum for satellite and NTN, CITC is planning two auctions for mobile broadband (IMT) spectrum as set out in Table 4. Specifically, CITC is planning to hold one or more auctions for spectrum in the 600 MHz, 700 MHz, 1500 MHz, 3800 – 4000 MHz and 26 GHz bands in 2022.

⁹ [Allocation and Use Regulation for Spectrum Bands Identified for IMT.](#)

TABLE 4: CITC CURRENT VIEW ON FUTURE AVAILABILITY OF IMT SPECTRUM

Frequency band	Potential date for spectrum award
600 MHz	Q1 2022
2x10 MHz in 700 MHz band	Q1 2022
700 MHz SDL	Q1 2022
3800 - 4000 MHz	Q1 2022
1500 MHz	H2 2022
26 GHz	H2 2022

5. OVERVIEW OF THE AWARD PROCESS

5.1. The award process consists of four stages, as set out in Figure 2:

- 1) Application Stage
- 2) Qualification Stage
- 3) Allocation Stage
- 4) Grant Stage

5.2. The rules and procedures for each stage are described in the following Sections 6, 7, 8 and 9. In this section, we provide some general information common to the entire process.

Deposit requirements

5.3. As set out in Paragraph 6.2, each applicant must submit a deposit in the form of a bank guarantee for SAR 5,000,000 valid until 31 January 2022. The purpose of the deposit is to provide an appropriate incentive for bidders not to default on their bids and not to engage in inappropriate behaviour (as defined in Paragraphs 5.6 and 5.7). There is no link between the level of deposit submitted and which block(s) a bidder can bid for in the auction.

5.4. During the auction, CITC will monitor the level of bids made by each bidder relative to the level of their deposit. In the event of exceptional circumstances, CITC reserves the right to pause the award process, for example between bid rounds, and require bidders to increase their deposits. In the unlikely event that CITC invokes this clause, it will endeavour to give bidders reasonable notice of the amount and date of the increase.

5.5. If a bidder fails to increase their deposit as directed by CITC, that bidder will be excluded from further bidding in the award process. However, all bids made by the bidder up to that point will remain valid.

Bidder conduct before and during the auction

5.6. CITC will communicate to each qualified bidder the list of all bidders qualified to participate in the auction. All qualified bidders are required not to engage in conduct that would be detrimental to CITC's ability to run an effective auction process.

5.7. In particular, it is the responsibility of the bidders themselves to ensure that:

- (a) they are not associated with any other qualified bidder;
- (b) they do not share confidential information in relation to the auction, including but not limited to information regarding the bidder's valuations, bid strategy or bid decisions, with any other qualified bidder;
- (c) no person with access to the bidder's confidential information has access to another qualified bidder's confidential information; and
- (d) they do not engage in any action that could be deemed collusive or may otherwise be detrimental to CITC's ability to run an effective award process.

5.8. If CITC receives evidence that a qualified bidder has engaged in inappropriate behaviour, as described in Paragraph 5.7, CITC may at its sole discretion take one or more of the following steps:

- (a) exclude that bidder from further participation in this award;
- (b) void any bids that the bidder has submitted prior to the point of exclusion; and/or
- (c) execute the bidder's bank guarantee and keep the proceeds.

CITC may also take additional legal and regulatory actions outside the award process, such as but not limited to excluding the bidder from participation in future spectrum awards.

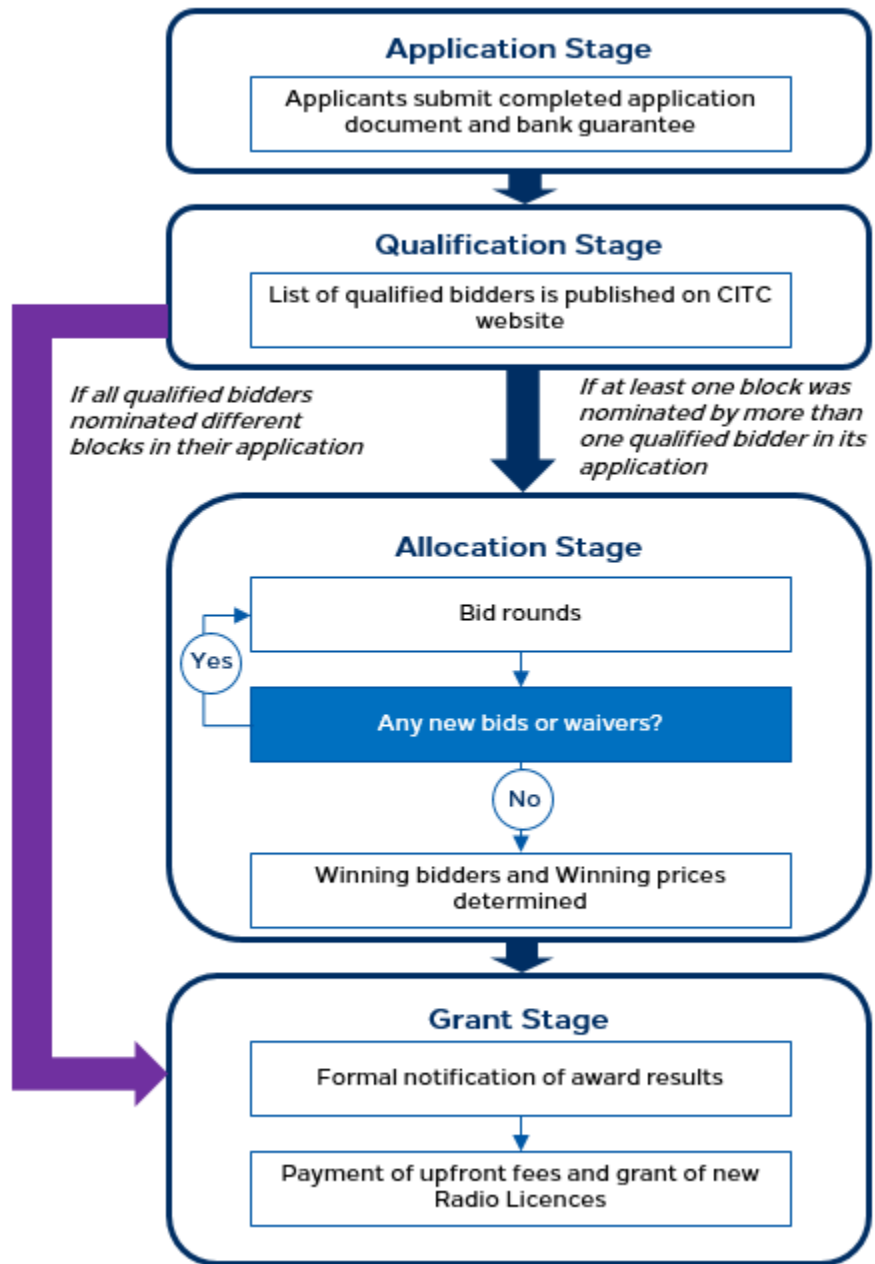
Exceptional circumstances

- 5.9. In the case of exceptional circumstances during the award process, CITC has the discretion to:
- (a) cancel the award process;
 - (b) suspend the award process until further notice;
 - (c) pause the award process, for example between rounds, and require bidders to increase their deposit;
 - (d) if the Allocation Stage is underway:
 - a. postpone the end of a round in progress or the release of results of a round;
 - b. postpone the scheduling of further rounds;
 - c. cancel a round that is either underway or for which round results have not yet been released, and re-schedule the round;
 - d. void one or more rounds and the bids made therein, and resume the auction from an earlier round; and/or
 - e. void all bids received in the award process and either suspend the award process or start the award process again.
- 5.10. CITC determines whether a situation of exceptional circumstances has arisen. Exceptional circumstances could include, for example, widespread technical failure or concern about possible collusion amongst bidders.

Electronic auction system (EAS)

- 5.11. In the Allocation Stage, bids should normally be submitted through the EAS. This online system can be accessed using a desktop or laptop computer using a standard operating system, a reliable Internet connection and a supported web browser. Each qualified bidder will also need individual secure credentials, which will be provided during the bidder seminar as described in Paragraph 7.9. Further information about accessing and using the EAS, including back-up procedures in case a bidder experiences problems accessing the EAS, will be provided in the EAS bidder manual, which will be distributed to eligible applicants.
- 5.12. If a bidder uses an operating system or web browser that is not supported by the EAS, the EAS may not function properly. It will be the responsibility of each bidder to verify during the mock auction that the EAS functions properly on its system.
- 5.13. In addition to submitting bids, qualified bidders will be able to use the EAS to download certain information about their bids and the state of the auction (such as Round Prices and Standing High Bids). Sample files will be distributed to qualified bidders.

FIGURE 2: OVERVIEW OF THE AWARD PROCESS



6. APPLICATION STAGE

6.1. In the Application Stage, eligible applicants submit their application document and bank guarantee. As part of the application document, each applicant is required to submit a signed declaration as well as an indication of the block(s) (A1, A2 or both) it wishes to acquire at the Reserve Price. CITC will review all application documents for errors, omissions or ambiguities.

Application process

6.2. An eligible applicant is defined as a company that already holds a Facilities-Based Unified Telecommunications Services License in the KSA or that can demonstrate that it is already providing services in the S-Band. Any successful bidder that does not hold a Facilities-Based Unified Telecommunications Services License will need to apply for a separate Class (B) license to provide any specific telecommunications service. Any successful bidder also agrees to establish a local presence in the KSA if it does not already have one.¹⁰

6.3. An eligible applicant interested in acquiring available spectrum in this award must submit to CITC:

- (a) its application document (a copy of which is in Annex 2) signed by the applicant's authorized representative;
- (b) a notarized power of attorney confirming that the authorized representative has the authority to bind the applicant for all purposes in the award; and
- (c) a bank guarantee for the Guaranteed Amount of SAR 5,000,000 valid until 31 January 2022.

¹⁰ The regulations pertaining to Licenses is available at the following link: <https://www.citc.gov.sa/en/services/licensing/Pages/default.aspx>

6.4. As part of the application document, the applicant is required to specify the block(s) they would prefer at the Reserve Price: either Block A, Block B or both. A valid application represents a binding commitment by the bidder to acquire the relevant block(s) at the Reserve Price and pay the Auction Participation Fee(s) in the event that all qualified bidders nominated different blocks in their application.

6.5. An eligible applicant that does not hold a USL will need to lodge an application for the Class (B) license(s) covering the services it wishes to provide by the Application Date set out in Paragraph 6.6. As part of its application document for the auction, it will also need to confirm that it will comply with the terms and requirements set out by CITC for obtaining approval for its Class (B) license(s) if it becomes a Qualified Bidder.

6.6. The submission must reach CITC by the Application Date, which, unless otherwise announced by CITC, is 05:00 pm on 2 December 2021. A single completed application should be printed on single-sided A4 paper and placed inside a sealed envelope. The envelope should be:

(a) Marked as follows:

APPLICATION TO PARTICIPATE IN THE SPECTRUM AUCTION OF NTN

(b) Hand delivered to:

Communications and Information Technology Commission

Procurement Department, 6th Floor

Al Imam Saud Ibn Abdul Aziz Rd. and Prince Turki Ibn Abdul Aziz Al Awwal Rd.
Intersection

P.O. Box 75606, Riyadh 11588

Tel. +966-11-461-8000

6.7. CITC will review each application document to determine if the applicant:

- (a) has provided the required information; and
- (b) has made any mistakes or provided unclear information in completing the application document.

6.8. If CITC identifies any errors, omissions or ambiguities in the application document submitted by an eligible applicant, and CITC considers that these were not deliberate, CITC may, at its sole discretion, notify the applicant regarding the relevant issue(s), and provide it with an opportunity to correct its application. The time period granted to an applicant for correcting an application will not normally be more than 24 hours.

Signed Declaration

6.9. As part of the application document, each applicant is required to submit a signed declaration stating that:

- 1) The signatories have read and understood the terms of the license to be granted under the Auction of NTN RADIO LICENSES Information Memorandum (the “Information Memorandum”) and the Telecom Act issued under the Council of Ministers resolution No. 74 dated 5/3/1422H (the “Act”);
- 2) The signatories have read and understood the rules and procedures for the award as set out in the Information Memorandum;
- 3) The applicant has the legal authority to participate in the award process and meets the conditions set out in Paragraph 6.2. Where necessary, the applicant should provide supporting evidence that demonstrate that it meets these conditions;
- 4) The applicant is not associated with any other applicant or has any ownership or financial interest in another applicant in the award process;

- 5) The applicant has and will ensure that it discloses confidential information only to the extent that is necessary and expressly permitted by the Information Memorandum to members within the applicant's own bidding group; and
- 6) The applicant warrants not to engage in any action that could be deemed collusion or is otherwise detrimental to CITC's ability to run an effective award process.
- 7) If the applicant does not hold a USL, it confirms that it has lodged an application for the Class (B) license(s) covering the services it wishes to provide by the Application Date.
- 8) If the applicant does not hold a USL, it confirms that in the case it becomes a Qualified Bidder, it will comply with the terms and requirements set out by CITC for obtaining approval for its Class (B) license(s).
- 9) The applicant is submitting a binding bid to acquire its preferred block(s) in the event that the application is accepted, no Allocation Stage is required and the award proceed proceeds directly to the Grant Stage.

6.10. With respect to part (4) of Paragraph 6.9, it is the understanding of the CITC that all companies holding a USL are acting independently and have no material ownership or other associations which could affect their independence with regards to the award process. If any party has any reason to believe that this is not the case, it must declare relevant information at the time of application if applicable or otherwise report their concerns immediately to CITC. Any other applicant will need to provide supporting evidence demonstrating that they are not affiliated with any other applicant.

6.11. Any qualified bidder is obliged to refrain from taking any action that could result in it becoming associated with another qualified bidder until after the completion of the award process. Failure to comply with this warranty may result in the exclusion

from the award process of all such parties and forfeiture of their bank guarantees. For the avoidance of doubt, CITC reserves the right to review spectrum holdings following any future mergers, acquisitions or arrangements between spectrum holders if such developments raise competition concerns. Addressing such competition issues may require license holders to divest spectrum; the allocation and assignment outcomes of this award process shall not constrain CITC's legal powers in this regard.

6.12. With respect to parts (5) and (6) of Paragraph 6.9, it is the responsibility of each qualified bidder to ensure that their representatives do not breach these warranties at any time before or during the award process. Failure to comply with these warranties may lead to an applicant or qualified bidder being excluded from further participation in the award process and/or forfeiting their deposit (bank guarantee). CITC reserves the right to take further measures against any party that engages in behaviour that is detrimental to CITC's ability to run an effective award process.

7. QUALIFICATION STAGE

- 7.1. In the Qualification Stage, the CITC completes the review of applications and announces the identify of all qualified bidders.
- 7.2. If at least one block was nominated by two or more qualified bidders in their application, CITC will conduct an auction for both blocks. In this case, qualified bidders will be invited to participate in a number of activities prior to the start of the Allocation Stage. Otherwise, CITC will allocate the spectrum directly as per the nominations in the application.

Qualification Process

- 7.3. CITC will review each application document (including amended application documents if applicable) and bank guarantee, together with any other documents that CITC may deem relevant to the process, to determine if the eligible applicant:
- (a) has provided all required information in the correct format;
 - (b) has submitted a bank guarantee not less than the Guaranteed Amount valid until 31 March 2022;
 - (c) has made a binding bid at the Reserve Price for at least one of the two blocks; and
 - (d) meets the criteria to participate in the award process.
- 7.4. If an eligible applicant fulfils all four criteria in Paragraph 7.3, it will be designated as a qualified bidder (hereafter also referred to as a “bidder”), and will be eligible to participate in the Allocation Stage.
- 7.5. If an eligible applicant fails to fulfil one or more of the criteria in Paragraph 7.3, its application will be rejected, and it will not be qualified to participate in the Allocation Stage. CITC will inform rejected applicants of its decision in writing.

Rejected applicants who do not become qualified bidders will have their bank guarantees returned.

- 7.6. Once the qualification process is complete, CITC will communicate the list of qualified bidders to all qualified bidders. This list will include the names of all bidders but no other information about their applications.

Direct allocation

- 7.7. In the event that each block receives no more than one nomination from qualified bidders in their applications, then all such nominations will be identified as winning bids, and the respective bidder(s) will be allocated the blocks they nominated, subject to completing the Grant Stage. In this case, no Allocation Stage is required and the CITC will move directly to the Grant Stage. The Winning Price for each block is its respective Reserve Price.
- 7.8. If at least one block received more than one nomination from qualified bidders in their application, CITC will proceed to the Allocation Stage and allocate both blocks in that stage.

Activities for qualified bidders

- 7.9. If CITC proceeds to the Allocation Stage, representatives of qualified bidders will be eligible to participate in the following activities:
- (a) **Q&A session.** Bidders may submit questions in writing by email (to an address that will be supplied to qualified bidders) seeking clarifications regarding the auction rules and award process. CITC is not obliged to respond to any question but will normally aim to respond in writing.
 - (b) **Bidder seminar.** At least three representatives of each bidder are expected to attend the bidder seminar either in person or via video conference. At the

bidder seminar, CITC and its advisors will make presentations and answer questions on the auction rules and award process. After the bidder seminar, secure credentials to access the EAS will be distributed to qualified bidders. The bidder seminar may be conducted in person, for example at CITC premises, and/or via video conference, at the discretion of the CITC.

- (c) **Mock auction.** Qualified bidders are expected to participate in the mock auction. During the mock auction, bidders will be able to log on to the EAS and participate in a number of mock bidding rounds. The purpose of the mock auction is to allow bidders time to familiarise themselves with the EAS and not to test bidding strategy.

8. ALLOCATION STAGE

8.1. The purpose of the Allocation Stage is to determine the block(s) that will be awarded to each bidder, and to determine the associated Winning Price(s) for each winning bidder. In this section, we present the rules and procedures for participating in the Allocation Stage.

Overview of Allocation Stage

8.2. The Allocation Stage will be undertaken as a simultaneous multiple round ascending (SMRA) auction. The SMRA auction proceeds in a number of rounds. In each round, the EAS will state a Round Price for each block and bidders select whether to bid for a particular block at its prevailing Round Price.

8.3. In Round 1, CITC will enter on behalf of each bidder a bid at the Reserve Price for each block nominated by that bidder in its application. The EAS will then determine the Standing High Bid for each block (if any). Bidders will then be able to submit bids from round 2 onwards.

8.4. At the end of each round, CITC will determine the Standing High Bid for each block. If exactly one new bid was submitted for a block, this bid becomes the Standing High Bid. If more than one new bid was submitted for a block, CITC will select one of them at random to become the Standing High Bid.

8.5. Bidding is subject to an activity rule which ensures that bidders cannot increase their demand (as measured by the total number of eligibility points associated with the blocks they are bidding for) over the course of the auction.

8.6. The Allocation Stage continues until there is a round with no new bids for any block and no waivers.

Scheduling of rounds

- 8.7. Rounds are scheduled at CITC's discretion. All rounds will normally be scheduled to take place between 9.00am and 6.00pm on Saudi Arabian business days. The scheduling of rounds will take into account Muslim prayer times and may be further adjusted if the Allocation Stage extends into the holy month of Ramadan. An indicative schedule for each day's rounds will be published prior to the opening of the first round of that day. No round will start before the time specified in the indicative schedule, but the start time for a round may be delayed for any reason.
- 8.8. CITC does not anticipate running rounds shorter than 15 minutes or longer than one hour. The time between rounds is discretionary.
- 8.9. There is no upper bound on the number of rounds per day, although CITC does not anticipate running more than 10 rounds in a single day.
- 8.10. Bidders will be notified of the start time for a round at least 15 minutes before the scheduled round start.

Bid submission

- 8.11. When a round is open, bidders should submit their bids using the EAS. Bidding will be conducted using a check box procedure. In each bidding round, CITC will specify a fixed prevailing round price for each block. Bidders check the relevant box associated with the block for which they would like to submit a new bid. Bidders have no discretion to select a higher or lower bid amount.
- 8.12. The EAS is designed to block submission of invalid bids; for example:
- (a) The check box will not allow a bidder to submit more than one new bid for a block;
 - (b) The EAS will not allow bidders to submit bids associated with a total activity that exceeds their eligibility (see Paragraphs 8.26 and 8.27).

- (c) The EAS will not allow bidders to submit new bids and place a waiver in the same round; and
- (d) The EAS will not allow a bidder to submit a waiver if the sum of the eligibility points associated with the bidder's Standing High Bids is equal to the bidder's eligibility.

8.13. Each bid submitted in accordance with the auction rules is considered to be a valid bid. A valid bid represents a binding commitment to buy a block at the prevailing round price. Each offer for a block within a valid bid remains valid for the duration of the Allocation Stage unless voided by CITC.

8.14. Bid submission is a two-step process:

- 1) The bidder enters its bid decision into the EAS, so its validity can be checked:
 - If the bid decision is compliant with the auction rules, the bidder proceeds to the second step below.
 - If the bid decision is not compliant with the auction rules, an error message with an explanation will be generated by the EAS and the bidder will be redirected to the bid form so that it can modify its bid decision.
- 2) A summary of the bid decision will be presented, and the bidder will be asked to confirm submission. Only confirmed bids will be registered by the EAS. A warning will be provided if the bidder is reducing the total number of blocks bid for relative to the previous round.

8.15. A bidder is deemed not to have submitted a bid until such time as confirmation of a valid bid is received at the server that hosts the EAS. Receipt of such confirmation will be communicated to the bidder through the EAS. It is the responsibility of the bidder to submit its bid before the end of a round and to check receipt of the bid confirmation by the EAS. Bidders are advised to alert CITC immediately if they experience problems with bid submission.

8.16. In the unlikely event that a bidder experiences problems submitting a bid using the EAS, a back-up procedure for bid submission by telephone will be available. Further information about this back-up process will be provided in the EAS bidder manual.

Round Prices

8.17. In each round, the CITC will specify a Round Price for each block. This will be an amount in units of SAR 1,000.

8.18. In the first round, the Round Price for each block will be set equal to the Reserve Price (see Table 3).

8.19. In subsequent rounds, the Round Price will be set as follows:

- If there is no Standing High Bid, the Round Price will be unchanged.
- If there is a Standing High Bid, the Round Price will be set at an increment above the current Standing High Bid.

8.20. In each round and for each block, the amount by which the Round Price is increased is determined at the discretion of the CITC. There is no minimum or maximum increase in absolute or percentage terms, and the level of increase may vary across blocks in the same round.

8.21. In order to provide bidders with reasonable certainty over how Round Prices may change during the auction, CITC may provide guidelines on its preferred approach prior to the start of the Allocation Stage. This guidance may include a range for the minimum and maximum Round Price increases that CITC is likely to apply, expressed either as a percentage of the Standing High Bid or an absolute amount, and a provisional cap in SAR on the largest Round Price increase that may be applied per round.

Bidding in round 1

8.22. In Round 1, CITC will enter on behalf of each bidder a bid at the Reserve Price for each block nominated by that bidder in its application. The EAS will then determine the Standing High Bid for each block (if any). Bidders will be able to submit bids from round 2 onwards.

Bidding in all rounds

8.23. In round 2 and all subsequent rounds, a bidder may:

- Submit a new bid for one or more blocks subject to the activity rules set out in Paragraphs 8.26 and 8.27; or
- Confirm that it does not want to submit any new bids or place a waiver; or
- Submit a waiver if the sum of the eligibility points associated with the bidder's Standing High Bids is strictly less than its eligibility.

8.24. The bidder that holds the Standing High Bid for a specific block can either maintain its Standing High Bid at the Round Price at which it was made or submit a new bid at the prevailing Round Price. A bidder with at least one Standing High Bid cannot actively disengage from the auction.

8.25. In each bidding round, a bidder that (a) does not have a Standing High Bid; (b) does not place a new bid; and (c) does not use a waiver (either actively or passively), is deemed to have withdrawn from the auction, and is not allowed to bid in the auction in subsequent bidding rounds.

Activity rules

- 8.26. A bidder's activity is measured by the total number of eligibility points associated with the blocks the bidder either placed a new bid for or for which the bidder holds the current Standing High Bid. The eligibility points associated with each block are set out in Table 1.
- 8.27. A bidder's activity in a round cannot exceed its eligibility. A bidder's eligibility in a round is determined as follows:
- For round 1, a bidder's eligibility is 2 eligibility points;
 - In a round following a round in which a bidder placed a waiver, the bidder's eligibility is unchanged.
 - In all other rounds, the bidder's eligibility is equal to the bidder's activity in the previous round.

Waivers

- 8.28. Placing a waiver maintains the bidder's eligibility to place a bid in the subsequent bidding round. Each bidder is initially allocated a maximum of two waivers during the auction, which may be deployed actively or passively:
- **Active:** A bidder may select to use a waiver (see Paragraph 8.23) instead of submitting any new bids if the sum of the eligibility points associated with its Standing High Bids is strictly less than its eligibility.
 - **Passive:** The EAS automatically places a waiver on behalf of a bidder if all of the following conditions hold:
 - a. the bidder does not place a new bid;

- b. the bidder does not confirm that it does not want to place any new bids or a waiver in this round;
- c. the bidder does not actively use a waiver;
- d. the sum of the eligibility points associated with the bidder's Standing High Bids is strictly less than its eligibility; and
- e. the bidder has at least one remaining waiver,

8.29. Additional waivers may be granted either to all bidders or to individual bidders at the sole discretion of CITC. CITC does not expect to grant additional waivers unless it has good reason to believe that one or more bidders faced technical or other problems that they could not have reasonably anticipated, and that granting additional waivers is in the general interest of conducting an efficient award process. Additional waivers can only be granted in the periods between rounds. They cannot be granted during a round.

8.30. A bidder may notify the CITC that it is unable to submit a bid during a round and is likely to require a waiver; notification is not mandatory but would assist administration of the process.

Determination of Standing High Bids

8.31. At the end of each round, CITC determines the Standing High Bid for each block (if any):

- If there are no new bids for a block and there is no Standing High Bid from a previous round, the block does not have a Standing High Bid;
- If there are no new bids for a block, but there is a Standing High Bid for the block from a previous round, the current Standing High Bid remains unchanged.

- If there is exactly one new bid for a block, that bid will become the Standing High Bid, displacing the previous Standing High Bid if applicable.
- If there is more than one new bid for a block, the Standing High Bid will be selected from amongst these bids using a random draw.

Information policy

- 8.32. At the end of each round, each bidder will be provided with the following information via the EAS:
- (a) For each block: the amount of the Standing High Bid (if any) and if the bidder holds the Standing High Bid for that block;
 - (b) The number of waivers placed by all bidders in this round.
 - (c) The start and end time for the next bidding round.
 - (d) Its own eligibility for the next round; and
 - (e) the number of waivers it has remaining.
- 8.33. No other information will be released about the bids submitted by other bidders during the rounds.

Winning bidders

- 8.34. Bidding for the two blocks closes simultaneously when there is a round in which there are no new bids for either block and no waivers placed. The Standing High Bids will be declared the winning bids and the Winning Price for each block will be its respective Standing High Bid.
- 8.35. Once CITC has determined the winning bids and bidders, each bidder will be informed about its own outcome, including:

- the block(s) it has won, if any; and
- the Winning Price(s) that apply to the block(s) that it has won.

8.36. No information about the outcome of the Allocation Stage for other bidders will be provided.

9. GRANT STAGE

9.1. In the Grant Stage, CITC will issue new NTN Radio Licenses based on the outcome of the auction. No licenses will be issued to operators until they have submitted the necessary payments and met all the service licenses requirements.

Announcement of auction outcome

9.2. Following the conclusion of the Qualification Stage (as per Paragraph 7.7) or the Allocation Stage, the CITC will publish the results of the auction, including:

- (a) the identity of the winning bidders;
- (b) the block(s) assigned to each winning bidder; and
- (c) a breakdown of the fees to be paid by each bidder, including:
 - i. the License Fee for each block acquired by the bidder, which equals the Winning Price for the respective block; and
 - ii. the Auction Participation Fee for each block acquired by the bidder.

9.3. CITC will also issue a formal notification to each bidder of the results of the award process.

9.4. CITC will maintain a history of all bids submitted in the auction and reserves the right to publish this at any time in the future following the completion of the award process.

Payment of fees

9.5. Within 90 days of the issue of the notification in Paragraph 9.3, each bidder who was awarded spectrum must pay to CITC an amount equal to the Auction Participation Fee for each block it was awarded.

- 9.6. The bank guarantee(s) submitted during the application stage shall be released to the participants as follows:
- (a) to participants not winning any blocks: after the conclusion of the Allocation Stage;
 - (b) to participants winning at least one block: after the relevant operator has paid in full the amount specified in Paragraph 9.5.

Grant of licenses

- 9.7. Successful bidders who have duly completed the auction process and complied with all terms and obligations described in this document, shall be issued new Radio Licenses for the relevant portions of the 2100 MHz band once they have paid in full the amount specified in Paragraph 9.5.

10. TIMETABLE

- 10.1. The timetable in Table 5 is indicative only of the expected timing of certain key milestones and events prior to, during and after the award process.
- 10.2. Please note that CITC may at any time change any of the times or dates and/or shorten or extend the time periods set out in this Information Memorandum upon giving at least twenty-four (24) hours' notice, save in emergency situations where such changes may be made without notice.

TABLE 5: INDICATIVE TIMETABLE FOR KEY MILESTONES AND EVENTS

Milestones / Events	Date / Time
Publication of Information Memorandum	7 October 2021
Closing Date Comments on Information Memorandum	30 October 2021
Publication of Final Information Memorandum	18 November 2021
Application Deadline	2 December 2021
Announcement of Qualified Bidders	12 December 2021
Ongoing Q&A session	12 December – 16 December 2021
Publication of Bidder Manual	14 December 2021
Online Bidder Seminar	16 December 2021
Bidder Mock Auctions	16 December 2021

Auction Starts	19 December 2021
Announcement of Allocation Stage results	Within 24 hours of completion
Formal notification to each bidder of the results of the award process	Within 3 working days after the announcement of the results of the Allocation Stage
Payment of Auction Participation Fee	Within 30 days of the issue of the formal notification of the results of the award process

ANNEX 1: RADIO LICENSE

License Number: _____

DRAFT NTN Radio License

Issued to:

Company/Establishment: _____

Phone: _____ Fax: _____ Box: _____

Postcode: _____

The Communications and Information Technology Commission (CITC) acting in pursuance of Article 12 of the Telecom Act and Articles 17, 79-82 of Telecommunications Act Bylaws, hereby issues this Radio License to

----- (Licensee's name) -----

(Licensee's Commercial Registration Number) to use frequency spectrum, subject to provisions of Telecom Act and its Bylaws pertaining to use of radio frequency spectrum, CITC Statutes, the conditions of this License and its Annexes.

The Governor

CITC

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NTN Radio License

General Conditions

Article 1: Definitions

1. The terms and expressions defined in the Telecom Act, the Ordinance and the Bylaw shall have the same meanings when used in this Radio License.
2. “Licensed Frequency Spectrum” means the frequency spectrum assigned to the Licensee as listed in Annexes of this Radio License.

Article 2: Use of Licensed Frequency Spectrum

1. The Licensee may use Licensed Frequency Spectrum for the sole purposes specified for each Licensed Frequency Spectrum assignment as shown in Annex 1.
2. The Licensee’s use of the Licensed Frequency Spectrum shall be subject to any applicable provisions of the Telecom Act, the Bylaws, statutes and CITC decisions and must also be consistent with :
 - 2.1 The National Frequency Spectrum Plan and
 - 2.2 The Frequency Spectrum Management Policies and Procedures.
3. Any Licensed Frequency Spectrum assignment in Annexes of this Radio License may be amended, revoked, and any associated obligations may be amended at any time during the term of the relevant assignment or where the CITC believes such action will improve spectrum efficiency in the KSA or for other reasons including international spectrum coordination.
4. Revocation/amendment will only occur after the CITC has consulted with the Licensee and has provided the Licensee with justification for the required changes. The notice

period for such change shall be determined by the Commission taking note of the prevailing circumstances.

Article 3: Technology Migration and Spectrum Use Efficiency

1. The Licensee shall inform the Commission of the radio communications technology (radio standard) deployed in the licensed frequency spectrum and any intention to materially change that technology.
2. In case Licensee intends to change the radio communications technology, the Commission may require the Licensee to undertake actions to mitigate any adverse effects arising out of any such change, and any resulting costs shall be borne by the Licensee.
3. The Commission may require the Licensee to migrate the radio communication technology or the technical conditions of its usage (e.g. channel plan, type of emissions, etc.) for the reason of ensuring most efficient use of Licensed Frequency Spectrum assignment, and any resulting costs shall be borne by the Licensee unless alternative arrangements are explicitly specified by the Commission.

Article 4: License Term

This Radio License shall remain valid for as long as the Licensee holds a valid [Facilities Based Unified License]. Individual Licensed Frequency Spectrum assignments shall remain valid for the duration specified in relevant Annex.

Article 5: Geographic Coverage

The Licensee may use the Licensed Frequency Spectrum subject to geographic coverage rights and obligations as specified for each Licensed Frequency Spectrum assignment in relevant Annex.

Article 6: Amendment of License

This Radio License is subject to amendment in accordance with Commission statutes.

Article 7: Spectrum Use Fees Payable by Licensee

1. The Licensee shall pay to the Commission the fees for using Licensed Frequency Spectrum assignments as specified in relevant Annex of this Radio License. These spectrum usage fees may be amended from time to time.
2. The Commission shall determine and inform the Licensee of the method of issuance of invoices and payment with which the Licensee shall comply.
3. Payment shall be due immediately upon issuance of the invoice and shall be paid within one month of the invoice issuance date.

ANNEX 1 [to Radio License]

Licensed Frequency Spectrum

[The following details shall be completed separately for each Licensed Frequency Spectrum assignment for the Licensed Unified service provider

Additional separate annexes will be used for additional/service specific assignments]

CITC Frequency Spectrum Assignment Reference: [Number] _____

Assigned Channels	Radio Frequency Use Parameters	Geographic Coverage	Licensed Service	Obligations and Conditions	Expiry Date of Frequency Assignment	Annual Spectrum Use Fees

[The above information should be completed separately for each individual assignment]

ANNEX 2: APPLICATION DOCUMENT

An applicant must complete, in full, this form and submit it to CITC by 2 December 2021 (the “Application Date”) for consideration. Any additional documentation required to be supplied by the applicant must be appended to this application document.

THE APPLICANT

Name of applicant:

Address of applicant:

AUTHORIZED REPRESENTATIVE

Each bidder must provide contact information for an authorized representative that will be the main point of contact for CITC. All materials associated with the auction, including confidential information necessary to submit bids, will be sent to the authorized representative. The authorized representative has authority to bind the applicant for all purposes in the award.

Authorized representative

Name of authorized representative

Position of authorized representative

Telephone of authorized representative

E-mail of authorized representative

The applicant hereby acknowledges that all communication given by CITC shall be sent by e-mail to the e-mail address of the authorized representative provided above. All communication shall be deemed received by the applicant at the time of transmission. The authorized representative must remain contactable at all times.

ALTERNATIVE REPRESENTATIVES

In addition to the authorized representative, an applicant may, but is not required to, name up to three (3) alternate representatives.

Alternate representative 1

Name of alternate representative 1 _____

Position of alternate representative 1 _____

Telephone of alternate representative 1 _____

E-mail of alternate representative 1 _____

Alternate representative 2

Name of alternate representative 2 _____

Position of alternate representative 2 _____

Telephone of alternate representative 2 _____

E-mail of alternate representative 2 _____

Alternate representative 3

Name of alternate representative 3 _____

Position of alternate representative 3 _____

Telephone of alternate representative 3 _____

E-mail of alternate representative 3 _____

The alternate representatives will be contacted, in order of their listing, in the case that the authorized representative, for whatever reason, is not immediately contactable. However, they will not be deemed to have the authority to bind the applicant for all purposes in the award.

APPLICANT DECLARATION

We, the undersigned, being the authorized representative(s) of _____ (the “applicant”) hereby declare that all information provided in, or in support of, the application is to the best of the knowledge and belief of the applicant true, accurate, and complete. We hereby warrant to the Communications and Information Technology Commission of Saudi Arabia (the “CITC”) that:

- 1) The undersigned have read and understood the terms of the license to be granted under the Auction of NTN Radio Licenses, Information Memorandum (the “Information Memorandum”) and the Telecom Act issued under the Council of Ministers resolution No. 74 dated 5/3/1422H (the “Act”).
- 2) The undersigned have read and understood the rules and procedures for the award as set out in the Information Memorandum.
- 3) The applicant has the legal authority to participate in the award process and meets the conditions set out in Paragraph 6.2 of the Information Memorandum. Where necessary, the applicant provides supporting evidence that demonstrate that it meets these conditions in an attachment to this declaration.
- 4) The applicant is not associated with any other applicant or has any ownership or financial interest in another applicant in the award process.
- 5) The applicant has and will ensure that the applicant discloses confidential information only to the extent it is necessary and expressly permitted by the Information Memorandum to members within the applicant’s own bidding group.
- 6) The applicant warrants not to engage in any action that could be deemed collusion or is otherwise detrimental to CITC’s ability to run an effective auction process.
- 7) If the applicant does not hold a USL, it confirms that it has lodged an application for the Class (B) license(s) covering the services it wishes to provide by the Application Date.

- 8) If the applicant does not hold a USL, it confirms that in the case it becomes a Qualified Bidder, it will comply with the terms and requirements set out by CITC for obtaining approval for its Class (B) license(s).
- 9) The applicant hereby makes a binding bid at the Reserve Price (as set out in Table 2 of the Information Memorandum) to acquire *(please add a tick in the relevant box(es) below.*

Block A1	Block A2

Signature of authorized representative

for and on behalf of the applicant:

Name of authorized representative:

Date:



هيئة الاتصالات وتقنية المعلومات
Communications & Information
Technology Commission