



**Request for Applications  
for Licensing of  
Mobile Virtual Network Operator (MVNO) Services  
in the Kingdom of Saudi Arabia**

Issued by CITC on 17/5/1441H; 12/1/2020 G

Version.3: after extending the submission of the application to 24/3/1442H (10/11/2020G) at 3.00 PM Riyadh time

Disclaimer:

This English version is an approximate translation of the prevailing Arabic RFA document.

## Table of Content

<b>BACKGROUND .....</b>	<b>2</b>
<b>1 DEFINITIONS .....</b>	<b>2</b>
<b>2 GOVERNING LEGISLATION .....</b>	<b>4</b>
<b>3 LICENSING SCHEDULE AND PROCESS .....</b>	<b>5</b>
3.1 Licensing Schedule .....	5
3.2 Licensing Process.....	5
3.3 Applicants Eligibility.....	6
<b>4 INSTRUCTIONS TO APPLICANTS AND APPLICATION CONTENTS.....</b>	<b>7</b>
4.1 Part 1 - Cover Letter.....	7
4.2 Part 2 - Main Proposal .....	7
<b>5 PROCEDURE FOR FILING AN APPLICATION .....</b>	<b>10</b>
<b>6 GENERAL PROVISIONS.....</b>	<b>11</b>
6.1 Confidentiality of Applications .....	11
6.2 CITC Usage of Applications.....	11
6.3 Cost of Application and Application Process .....	11
6.4 Reservation of Rights.....	11
6.5 Other Provisions.....	12
6.6 Legal and Formal Requirements .....	13
6.7 Means contact.....	13
<b>Appendix 1 MVNO Services License.....</b>	<b>14</b>
<b>Appendix 2 Evaluation Criteria.....</b>	<b>16</b>
<b>Appendix 3 Cover Letter Form.....</b>	<b>19</b>
<b>Appendix 4 Pro Forma Financial Summary.....</b>	<b>22</b>
<b>Appendix 5 Compliance Checklist.....</b>	<b>25</b>
<b>Appendix 6: MVNO Point of Presence .....</b>	<b>30</b>

## BACKGROUND

The Communications and Information Technology Commission (“CITC”) is the entity authorized to regulate the Information and Communications Technology (“ICT”) sector in the Kingdom of Saudi Arabia (“KSA”).

Based on CITC’s regulations, the Commission is authorized to encourage reliance on market forces to provide telecommunications and information technology services, and to encourage investment in its services, its equipment, and to provide them at affordable prices and high quality in all regions of the Kingdom. Moreover, CITC works on creating a competitive efficient environment in the telecommunications and information technology sector.

CITC continues to develop and improve the telecom market in the kingdom by encouraging the provisioning of Mobile Virtual Network Operator (MVNO) Services in the Kingdom of Saudi Arabia and making amendments and improvements to the regulations for the provisioning of the service based on decision number (1440/399), dated 16/2/1440H, and decision number (1440/401), dated 11/5/1440H. CITC has prepared Request for Applications document for Licensing of Mobile Virtual Network Operator (MVNO) Services in the Kingdom of Saudi Arabia -this document- for the purpose of issuing two licenses after analyzing the public consultation issued in 23/9/1440H (28/5/2019) on the study of a possible new entry of MVNO services provider, and market studies made by CITC in this regard.

At present, mobile telecommunications services in the Kingdom are offered by Saudi Telecommunications Company (“STC”), Etihad Etisalat Company (“Mobily”) and Mobile Telecommunications Company (MTC) Saudi Arabia (“Zain”). the Mobile Virtual Network Operator (MVNO) Services are offered currently by Virgin Mobile Saudi consortium (Virgin) and Etihad Jawraa for Telecom and Information Technology Company (Lebara).

The purpose of this Request for Application (“RFA”) is to provide instructions to Applicants wishing to submit Applications for a Public Mobile Virtual Network Operator Service License in the KSA.

In preparing their Applications, Applicants are referred to the totality of information made available by CITC including, without limitation, all materials on the CITC website such as the Commission Statutes, Decisions, Public Notices, and Regulatory Framework Documents.

## 1 DEFINITIONS

The words and expressions defined in the Commission Statutes shall have the same meaning when used in this RFA. The following words and expressions shall have the meaning assigned to them below unless the context of the RFA requires otherwise.

**Rules and Conditions** mean Rules and Conditions for MVNO Services and IoT-VNO Services Provision published on CITC website ([www.citc.gov.sa](http://www.citc.gov.sa)).

**Advisors** mean CITC representatives, agents, advisors or consultants including their respective employees;

**Applicant** means a Consortium that submits an Application;

**Application** means an application for a License to provide Mobile Virtual Network Operator Services in the Kingdom filed in response to this RFA;

**Consortium** means a group of members including companies/establishments and an MVNO foreign partner that have agreed to work together as an Applicant and that have committed to

establish a Saudi-registered company in order to become eligible to hold the MVNO license if selected to do so in accordance with relevant laws and regulations of the KSA;

**Authorized Signatory** means any person who is duly authorized by each member of the Consortium through the provision to the Commission of a valid power of attorney made by the duly authorized representative of each member of the Consortium and attested by a notary public. In the case of a power of attorney issued in a jurisdiction other than the Kingdom, it should be duly attested by the relevant Saudi consular mission in the country of the member of the Consortium;

**Business Proposal** means the business, commercial and operational plans of the Applicant concerned;

**CITC or Commission** means the Communications and Information Technology Commission;

**Compliance Checklist** means the list of documents contained in Appendix 5;

**Cover Letter Form** means the form attached to this RFA as Appendix 3 of this RFA;

**Eligible Applicant** means an Applicant who is determined by CITC to be eligible for selection for award of a License under the procedures set out in Section 3.2.1 of this RFA;

**Evaluation Criteria** means the criteria set out in Appendix 2 against which the Applications of Eligible Applicants will be evaluated;

**Host FBP** means the FBP providing mobile network capacity to one or more MVNO on a wholesale basis for resale to end-users;

**Kingdom or KSA** means the Kingdom of Saudi Arabia;

**Licensed Services** means the services the Licensee is authorized to provide under the License; in accordance with the Rules and Conditions of the license.

**License** means the license to provide Mobile Virtual Network Operator Services in the Kingdom which is issued by CITC in accordance with the Rules and Conditions of the license.

**Regulatory Framework on Fees** is the Regulatory Framework which aims at specifying the fees required from licensed service providers.

**Licensed Service Provider** means any service provider licensed by CITC to offer ICT services in the Kingdom;

**Licensee** means the Successful Applicant issued with a Mobile Virtual Network Operator Services License;

**Mobile FBP** means a licensed service provider who builds, owns and operates a public telecommunication network providing Mobile Cellular Services in the Kingdom; based on "Facilities-Based Unified Telecommunications Services License".

**Mobile Virtual Network Operator ("MVNO")** means a Licensed Service Provider that resells wholesale mobile network services which are leased/ purchased from a Host FBP in order to provide retail services to the MVNO's subscribers without spectrum assignment or radio access network.

**Preliminary MVNO Agreement (Preliminary Agreement)** means a the preliminary agreement between an Applicant and a Host FBP, and it should be in accordance with the Rules and Conditions of the license.

**MVNO Agreement (Final Agreement)** means the wholesale services agreement to be entered into between a Host FBP and a Successful Applicant pursuant to the preliminary agreement for the provision and resale of the services necessary to allow it to resell services to end-users; in accordance with the Rules and Conditions of license.

**MVNO Partner** means a foreign MVNO who is a member of the Consortium and who provides MVNO operating experience to the Consortium in accordance with CITC requirements;

**Mobile Virtual Network Operator Services (or MVNO Services)** means the services to be provided by MVNO licensee in accordance with the Rules and Conditions of the license.

**License Application** means the application for the License to provide Mobile Virtual Network Operator Services in the Kingdom.

**Successful Applicant** means an Eligible Applicant who has been selected by the Commission for award of a License in the Selection Phase;

**Subscriber** means any Person that is a party to a contract or other similar arrangement that is in force with a service provider for the supply of ICT service(s);

**G** means the Gregorian calendar;

**H** means the Hijra calendar as per the Um-Al Qura Calendar;

**Year** means a Gregorian year, unless specified otherwise.

## 2 GOVERNING LEGISLATION

This Section sets out a brief summary of the regulation of the telecommunications sector in the Kingdom as it applies to MVNO Services. This summary does not purport to be complete, definitive or exhaustive and Applicants should refer to the Commission Statutes and all other relevant laws.

The key legislation and other documents relating to the regulation of telecommunications in the KSA are available on the CITC website which includes but not limited to:

- Telecom Act
- Telecom Act Bylaw
- Rules and Conditions for MVNO Services and IoT-VNO Services Provision
- Regulatory Framework on License Classification
- Services provisions Licenses
- Regulatory Framework on Fees
- Regulatory Documents related to numbering

- CITC Information Security Policies and Procedures Guide
- General Guidelines for Users
- Quality of Service
- Interconnection Guidelines;
- Terms for telecom services provision, and users and services providers rights and obligations
- CITC decisions

Foreign ownership in the Licensee will be subject to the relevant laws and regulations of the KSA, in accordance with the General Investment Authority (SAGIA)

### **3 LICENSING SCHEDULE AND PROCESS**

#### **3.1 Licensing Schedule**

The licensing schedule shall be as follows:

- 3.1.1 Interested parties can obtain this RFA starting on 17/5/1441H (12/1/2020G) from the CITC website at no cost;
- 3.1.2 Potential Applicants may submit any questions they have concerning the RFA by no later than 7/6/1441 (1/2/2020G) using the communication protocol set out in Section 6.7 of this RFA.
- 3.1.3 CITC will publish answers to such questions on its website by 22/6/1441H (16/2/2020G).
- 3.1.4 Applications may be submitted under the procedure stated in Section 5 of this RFA at any time prior to 17/9/1441H (10/5/2020G) at 3.00 PM Riyadh time. ( the submission of the application has been extended to 24/3/1442H (10/11/2020G) at 3.00 PM Riyadh time)

#### **3.2 Licensing Process**

##### **3.2.1 Qualification stage**

In order to be an Eligible Applicant, an Applicant must file all documents required to be delivered with the Application as specified in section (4) and listed in the Compliance Checklist (Appendix 5).

Applicants satisfying all of the requirements under this Section will be accepted as Eligible Applicants and proceed to the Selection Phase. Applicants who do not satisfy all of these requirements will be rejected and their Applications will not be considered further.

##### **3.2.2 Selection Phase**

3.2.2.1 The Applications of Eligible Applicants will then be evaluated by CITC against the Evaluation Criteria described in Appendix 2, and the highest scoring two applications will be selected as a Successful Applicants.

3.2.2.2 Any Eligible Applicant who fails to score at least 80 % of the maximum possible score on the evaluation may be rejected by CITC.

### 3.2.3 Issue of the Licenses

3.2.3.1 Following completion of the Selection Phase, CITC will inform the Successful Applicants.

3.2.3.2 Before the issuance of the License, each Successful Applicant will be required to:

- a) establish a Saudi registered company from the Consortium members pursuant to the relevant laws and regulations. The company shall not be entitled to change its articles of association and company objectives approved by MoCI without submission of reasonable justification to CITC and obtain its consent in writing;
- b) Submit a copy of the valid commercial registration.
- c) Pay the license Fee amounted five million Saudi Riyals (SAR 5,000,000)
- d) submit a copy of the signed Management Agreement certified by a notary public; and
- e) submit a copy of the signed final MVNO Agreement (applicant is allowed to submit another new final MVNO Agreement after obtaining CITC approval).

3.2.3.3 Each Successful Applicant shall comply with all parts of Section 3.2.3.2 within 90 days after being informed by CITC. When a Successful Applicant has complied with these requirements, the CITC shall issue the license to that Applicant.

3.2.3.4 If any Successful Applicant fails to comply with the provisions of Section 3.2.3.2 within 90 days after being informed by CITC, the Commission shall, without liability to the Successful Applicant who has failed to fulfill all of its obligations under Section 3.2.3.2, take any necessary action at their discretion for example to subsequently select in its place the next highest scoring Eligible Applicant who shall also be subject to the same procedures described in section (3.2.3.2).

## 3.3 Applicants Eligibility

3.3.1 Facilities Based Unified Telecommunications Services License holders or their Affiliates, and Existing MVNO who are licensed in the Kingdom, are not eligible to apply for the MVNO License.

3.3.2 It is not Permissible for owners (individually or combined) in the entities that hold the Facilities Based Unified Telecommunications Services License or the entities that hold the MVNO license to own (5%) or more of the shares in the Licensee of any class; directly or indirectly, and the Commission has the right to exempt any applicant of the mentioned above ownership percentage.

## 4 INSTRUCTIONS TO APPLICANTS AND APPLICATION CONTENTS

Each Application shall consist of the following elements:

### 4.1 Part 1 - Cover Letter

A duly completed Cover Letter Form, as per Appendix (3) of this RFA, dated and signed by an Authorized Signatory.

Applicants should attach all the information that is required pursuant to this Section 4 of this RFA to the Cover Letter.

### 4.2 Part 2 - Main Proposal

The Main Proposal of the Application should include the following information:

#### 4.2.1 Applicant's details:

Applicants must provide the following information:

1. Legal name or proposed legal name of the Licensee;
2. Details of the ownership structure or the proposed ownership structure of the Licensee;
3. Detailed information on each member of the Consortium. Such details must include the name, legal status, registered office address, a description of the business of each Consortium member, and the percentage ownership of the share capital held in the Consortium;
4. A Chart showing the relationship among all Consortium members who will have a direct or indirect ownership interest in the Applicant
5. The financial statements of any shareholder that owns, or any proposed shareholder that will own, five (5) per cent or more of the Applicant's shares or, if applicable, the financial statements of the Applicant. These financial statements must be provided for the preceding two fiscal years and should include an audited or certified income statement and balance sheet.
6. The [powers of attorney/notarized certificates] issued by the chairman of the board, that clearly evidence the authority to the applicant to file the Application, and the authority to sign the documents filed with the Application, to meet the following criteria:
  - Execute on the Company's behalf in whatever manner required any document or thing lawfully necessary to effect the Application for the Mobile Virtual Network Operator License in such form as the Attorney in his absolute discretion may reasonably deem necessary or desirable; and
  - Do or cause to be done all such acts and things as the Attorney in his absolute discretion may reasonably deem necessary or desirable in order to carry out and give effect to the Application for the Mobile Virtual Network Operator License or any related matter



7. A copy of the signed Preliminary MVNO Agreement made between the Applicant and the proposed Host FBP, or any signed document issued by the FBP. The Preliminary MVNO Agreement must be in Arabic, and a copy of the preliminary MVNO agreement may be provided in English. The agreement must be in accordance with the terms and conditions. And the Agreement should also be noted that the final agreement will be concluded upon winning the eligibility to obtain the license, to be a single condition, and without mentioning any other conditions.
8. Financial comfort letter from a Saudi bank or an international bank accredited by Saudi Arabian Monetary Authority (SAMA). The financial cover letter will verify that the Applicant will have access to sufficient funding to meet its peak financing.
9. The Compliance Checklist in accordance with appendix 5.
10. A copy of the identity of the Authorized Signatory, and contact details.

#### 4.2.2 Management Agreement

The Applicant shall submit a copy of the draft Management Agreement that will be entered into on award of the License between the Applicant and the foreign MVNO partner that is forming part of the Consortium to provide the Applicant with access to the technology, professional know-how, operational and management experience required to operate the MVNO services. The foreign MVNO Partner shall own or control at least 15% of the share capital of the Consortium for a period of not less than five (5) years from the issuance of the license. Any subsequent amendments to the terms of the draft Management Agreement (including renewing or implementing a new Management Agreement) will be subject to the prior approval of CITC. This agreement must be in the Arabic language and a copy of it may be provided with an English translation as well.

#### 4.2.3 MVNO Partner Experience

The Application shall include details of the track record of the MVNO Partner's MVNO business experience in foreign markets. This shall include the number of years of that partner's experience, number of its MVNO businesses currently in operation, number of its subscribers in each market, total gross revenues of each of its MVNO businesses over the past three years, and a description of the MVNO services currently offered in those businesses; and details of the levels of customer care and after-sales support present in each foreign market.

In addition, the MVNO partner must provide a description of its operational processes and approach in each foreign market.

#### 4.2.4 Business Proposal

The Applicant shall provide information to show that the overall business plan is viable, realistic and adequately funded and is consistent with the details contained in the Technical Proposal and the General Framework of MVNO Agreement. The Business Proposal shall include:

- a) Corporate Strategy: high level corporate strategy, In addition to the suggested targeted market segments, including how and to what extent it would contribute to the Kingdom's telecommunications market;
- b) Market Study: market forecast, market segmentation, customer penetration and uptake, proposed services and associated prices, and covering the first five year of planned operation;
- c) Customer Care and after sales support plan, proposed related service levels and the continuous service quality improvement plan;
- d) Services, including the planned services of the Licensee, the timing of the introduction of these services, and proposed approaches to service innovation;
- e) Organization, including management, marketing, sales, customer care, operations and maintenance;
- f) Human Resource Plan, detailed human resource plan and committed degree of Saudization in accordance with the Kingdom's laws, rules and regulations; and
- g) A financial summary of the proposed MVNO Services business in the Kingdom covering each of the first five years of operation based on the Pro-forma Financial Summary attached as Appendix 4 of this RFA. This will include: a profit and loss statement, a balance sheet, a cash flow statement and a financing plan. The financial information provided should include a detailed set of key assumptions driving the revenue model as well as a bottom up analysis of capital and operating costs for the MVNO services.

#### 4.2.5 Technical Proposal:

The Applicant shall provide a Technical Proposal with their application which should include:

- a) A concise description of the proposed approach to the rollout and provision of MVNO Services in the Kingdom; including the names of cities and highways where the service will be provided during each of the first five years.
- b) Proposed service launch date;
- c) The number of provinces and cities to be covered by the service related to the locations of sales, marketing and subscriber services planned for each of the first five years, as per Appendix (6) of this RFA.
- d) A description and architecture of any systems and processes planned, including details of:
  - Network operations
  - Customer care and after sales support, and proposed service levels;
  - Service performance monitoring and the continuous improvement of service quality; and
  - Customer billing.

#### 4.2.6 Processing Fee

The Applicant shall pay CITC the non-refundable processing fee of one hundred thousand Saudi Riyals (SAR 100,000) to cover CITC costs for processing the application in accordance with the requirements of Section 5.10 below.

## 5 PROCEDURE FOR FILING AN APPLICATION

- 5.1 The first and final pages of the original Application must be signed by an Authorized Signatory. Each of the other pages must be stamped and/or initialed by the Authorized Signatory.
- 5.2 An original Application and five (5) copies of it shall be packaged together in a Container(s). Each Container shall be sealed, packed and closed, so that it is not possible to open without visual evidence. If a Container is not sealed or marked properly, CITC will assume no responsibility for the Application or the disposition of its contents. Improperly marked or sealed packages may be rejected by CITC.
- 5.3 The total size of the Application should not be greater than 100 pages of A4 in type no less than 12 points and all pages must be numbered (e.g. page 15 of 100). Applicants may attach additional information as appendices to the Application.
- 5.4 Each of the original Application and five (5) copies of it packaged together in the Container(s) shall be submitted in a single sealed envelope or package clearly marked "Application for License to provide MVNO Services". The original and each of the five copies shall be respectively marked as "Original" and "Copy". In the event of any discrepancy between the original and the copies, the original shall prevail. The envelope or package shall be sealed so that it is not possible to open it without visual evidence.
- 5.5 Applicants are also required to submit electronic versions (original and five copies) which enable search capabilities of the Application in non-rewritable CD-ROM format (Adobe Acrobat®, Microsoft Word®, Microsoft PowerPoint®, Microsoft Excel® or HTML) in each of the original and five copies of the applications.
- 5.6 Applicants must deliver the Container(s) by hand or by courier to CITC at the following address:  
  

**The Office of the Governor  
Communications and Information Technology Commission  
Alnakheel Quarter - At the corner of Prince Turki Bin Abdulaziz Road and  
Imam Saud Bin Abdulaziz Bin Mohammed Road  
Riyadh 11588  
Kingdom of Saudi Arabia**
- 5.7 The original and all copies of the Application shall be typed or written in indelible ink.
- 5.8 Applications shall contain no interlineations, erasures or overwriting except as necessary to correct errors made by the Applicant, in which case the person or persons signing the Application shall initial such corrections.
- 5.9 Failure by any Applicant to provide all of the information required in the Application or any additional information required by CITC may lead to the rejection of such Application in its entirety.
- 5.10 As per paragraph 4.2.6 each Applicant will be required to pay, along with its Application and in a separate envelope marked "Application Processing Fee", a processing fee of

one hundred thousand Saudi Riyals (SAR 100,000) to cover CITC's cost of processing the Application by certified check drawn on a bank located in Saudi Arabia approved by SAMA in favor of "Communication and Information Technology Commission" payable in Riyadh.

## **6 GENERAL PROVISIONS**

### **6.1 Confidentiality of Applications**

- 6.2.1 CITC shall treat all Applications received in relation to this RFA as confidential during the period before the award of Licenses but Applications will not be returned to Applicants.
- 6.2.2 Claims of confidentiality and the treatment of any information for which confidentiality is claimed are subject to the Commission Statutes.
- 6.2.3 Neither CITC and its employees nor its Advisors shall be liable in any respect whatsoever to any Applicant or any of its members or representatives for damages or harm resulting from a failure to maintain such confidentiality.

### **6.2 CITC Usage of Applications**

Subject to applicable patent, copyright, trademark and similar laws, CITC shall have the right to use or reproduce ideas and information contained in an Application without notice or compensation of any kind to the Applicant.

### **6.3 Cost of Application and Application Process**

The Applicant shall bear all costs associated with the preparation and filing of its Application. CITC will in no case be responsible for these costs, regardless of the conduct or outcome of the Application process.

### **6.4 Reservation of Rights**

- 6.4.1 This RFA is available to all interested parties on the CITC website. CITC retains the copyright over this RFA and related documents. Reproduction of these documents for purposes other than this licensing process without CITC's written permission is subject to applicable copyright rules and regulations of the KSA. The information contained in this RFA or subsequently provided to Applicants, whether orally or in documentary form by or on behalf of CITC or any of its employees or Advisors, is provided to Applicants on the terms and conditions set out in this document.
- 6.4.2 This RFA is not an agreement and does not constitute an offer by CITC to any other party. This RFA does not purport to contain all the information each Applicant may require. It is not the role of CITC, its employees or Advisors to consider the investment objectives, financial situation and particular needs of each Applicant who obtains this RFA. CITC has made reasonable efforts to include accurate and current information in this RFA and in any other documentation provided to Applicants. However, no representation or warranty, expressed or implied, is made by CITC or its employees or by any of its Advisors as to the accuracy, reliability or completeness of the information provided and neither CITC and its employees nor any of its Advisors shall have any liability whatsoever to any Applicants or, where applicable, to any of their Consortium members, owners or shareholders or any other person resulting from use of or reliance on any of the information so provided. Each Applicant should conduct its own

investigations and analysis and should check the accuracy, reliability and completeness of the information set out in this RFA and obtain independent advice from appropriate sources prior to use of or reliance on that information.

6.4.3 Notwithstanding any other provisions in this RFA, for whatever reason and without incurring any costs or liabilities or any obligation to inform the Applicants of the reasons for its actions, CITC reserves the absolute and unfettered right, in its sole discretion:

- a) To take any action, including amending, updating and supplementing this RFA and any other CITC documents, which it considers necessary to ensure that the licensing process occurs in a fair, open and transparent manner, in accordance with the laws of the Kingdom and so as to meet the objectives of CITC;
- b) To modify the licensing process set out in this RFA and any other CITC documents;
- c) To accept or reject any Application and to waive any minor informalities or defects in Applications received;
- d) To reject any Applicant or Application which CITC reasonably believes may pose a risk to national security, safety or scarce resources or which, following the award of a license, may lead to an anti-competitive environment in the market for public telecommunications services in the Kingdom;
- e) To annul, postpone and/or terminate the licensing process or revoke an award of License at any time before the License is actually issued without any liability on CITC; and
- f) To accept or not accept any one or more Applicants who have filed an Application.

6.4.4 CITC is not legally obliged to select any Applicant as a Successful Applicant, or to issue a License to any Applicant.

6.4.5 Neither the Government of the KSA nor any of its agencies, employees, representatives, advisors or consultants, including CITC and its Advisors, shall incur any liability whatsoever to any Applicant or, where applicable, to any of its owners or shareholders or any other person by reason of any Decision made or action taken by CITC, its employees or Advisors in connection with the evaluation and selection of an Applicant or the carrying out or termination of the RFA process.

## 6.5 Other Provisions

6.5.1 Disqualification prior to issuance of License: CITC may refuse to evaluate Applicants and remove them from further consideration for any of the reasons set out below:

- a) Failure to comply with any of the procedures or other requirements established by this RFA;
- b) Illegal conduct by the Applicant related to the RFA process;
- c) Any attempts by the Applicant to influence the evaluation of Applications;
- d) Any corrupt practice by the Applicant, including the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in relation to the licensing process established by this RFA;

- e) Any fraudulent practice by the Applicant, including misrepresentations of fact or intention, and collusive practices, prior to or after submission of Applications, designed to undermine the integrity of the RFA process.

6.5.2 Applicants are not allowed to contact any member of the Board or staff of CITC and its Advisors in any way whatsoever in order to seek clarifications or other information regarding this RFA document other than by the means given in this RFA. Any breach of this requirement will result in the disqualification of the Applicant.

6.5.3 Disqualification Subsequent To Issue of License: If at any time CITC learns that any of the activities referred to in Section 6.5.1 of this RFA has occurred, CITC may revoke the relevant license without compensation, in accordance with the provisions of the Act and the Bylaw. The provisions of this Section are in addition to any criminal or civil legal action that may be available to or taken by any government entity or regulatory authority, including CITC.

## 6.6 Legal and Formal Requirements

6.6.1 Governing law - This RFA and any License granted or denied pursuant to this RFA shall be exclusively subject to, and interpreted solely in accordance with the CITC statutes.

6.6.2 Language – The Application and associated documentation must be submitted in Arabic languages and a translation in English may be submitted with it. If any discrepancies exist, the Arabic version shall prevail. However, Applicants may elect to submit supporting materials including brochures, annual reports and technical documents only in the English language.

6.6.3 Currency – All amounts of currency stated in the Application shall be expressed in Saudi Riyals (SAR).

## 6.7 Means contact

6.7.1 Only questions and queries relating to this RFA document should be submitted during the period specified in Section 3.1.2. to either of the following addresses:

- a) By e-mail to: [MVNO\\_RFA@citc.gov.sa](mailto:MVNO_RFA@citc.gov.sa)
- b) Delivery by hand or by courier to:

**The Office of the Governor  
Communications and Information Technology Commission,  
Alnakheel Quarter - At the corner of Prince Turki Bin Abdulaziz Road and  
Imam Saud Bin Abdulaziz Bin Mohammed Road  
Riyadh 11588  
Kingdom of Saudi Arabia**

## Appendix 1 MVNO Services License

(Note: The license will issued in Arabic)

## Appendix 1

### Mobile Virtual Network Operator Services License

In accordance with the Telecommunication Act issued pursuant to the Royal Decree No. (M/12) dated 12/03/1422H, and pursuant to the Council of Ministers resolution No. (74) Dated 05/03/1422H, and in accordance with CITC Board of Director Decision No. (.....) dated --/--/1441H, and based on CITC Decision No.(399/1440) dated 16/02/1440H and Decision No.(401/1440) dated 11/05/1440H, **The Communications and Information Technology Commission (CITC)** hereby issues this License to -----  
----- (Licensee's name) ----- in accordance with the Commission Statutes as well as Rules and Conditions for MVNO Services published on CITC website ([www.citc.gov.sa](http://www.citc.gov.sa)).

- Name of the Licensee: .....(Name).....

- Commercial Registration No. (0000000000) dated 00/00/00H.

- Date of issuance: 00/00/00H (corresponds to 00/00/00G)

- Date of expiry: 00/00/00H (corresponds to 00/00/00G)

**Governor  
of  
Communications and Information Technology Commission**



## Appendix 2 Evaluation Criteria

## Appendix 2

### EVALUATION CRITERIA

The criteria against which Applications from Applicants will be evaluated, and the percentage scores will be awarded in relation to each criterion in proportion to the appropriateness of the information provided and the extent to which the Applicant has met or exceeded the minimum requirements stated.

Evaluation criteria		Percentage
<b>1. Business Proposal</b>		<b>35%</b>
1.1	Corporate Strategy: high level corporate strategy, In addition to the suggested targeted market segments, including how and to what extent it would contribute to the Kingdom's telecommunications market;	
1.2	Market Study including market forecast, market segmentation, customer penetration and uptake, proposed services and associated prices, how these prices are to be set, and covering the first five years of operation.	
1.3	Customer Care and after sales support plan, proposed related service levels and the continuous service quality improvement plan.	
1.4	Services, including the planned services of the Licensee, the timing of the introduction of these services, and proposed approaches to service innovation.	
1.5	Organisation, including management, marketing, sales, customer care, operations and maintenance.	
1.6	Human Resource Plan, including human resource plan and committed degree of Saudization in accordance with the Kingdom's laws, rules and regulations.	
1.7	A financial analysis of the proposed MVNO Services business in the Kingdom covering each of the first five years of operation using the Pro-Forma Financial Summary attached as per Appendix 4 of this RFA. This will include a profit and loss statement, a balance sheet, a cash flow statement and a financing plan. The financial information provided is to include key assumptions driving the revenue model and a bottom up analysis of capital and operating costs.	

<b>2. Technical Proposal</b>		<b>30%</b>
2.1	<p>A concise description of the proposed rollout and approach to the provision of MVNO Services in the Kingdom including:</p> <ul style="list-style-type: none"> <li>- The names of the cities and highways where the service will be provided during each of the first five years.</li> <li>- Proposed service launch date.</li> <li>- The number of provinces and cities to be covered by the service related to the locations of sales, marketing and subscriber services planned for each of the first five years, as per Annex 6 of this document.</li> </ul>	
2.2	<p>A description and architecture of any infrastructure, systems and processes planned, including details of:</p> <ul style="list-style-type: none"> <li>- Network operations;</li> <li>- Customer care and after-sales support, and proposed service levels;</li> <li>- Service performance monitoring and the continuous improvement of service quality; and</li> <li>- Customer billing.</li> </ul>	
<b>3. MVNO Partner Experience</b>		<b>35%</b>
3.1	<p>MVNO partner MVNO business experience in foreign markets, including:</p> <ul style="list-style-type: none"> <li>- The number of years of that partner's experience.</li> <li>- Number of countries currently in operation.</li> <li>- Number of its subscribers and market share in each country.</li> <li>- Total annual gross revenues and profitability ratios of all its MVNO businesses over the past three years, as an MNO or an MVNO.</li> <li>- A description of the MVNO services currently offered in those businesses.</li> <li>- Details of the levels of customer care and after-sales support present in each country.</li> <li>- Description of its operational processes and approach in each country.</li> </ul>	

## Appendix 3 Cover Letter Form

## Appendix 3

[Note to Applicants: please print this form and *complete in* accordance with Section (4.1) of the RFA]

### COVER LETTER FORM

Communications and Information Technology Commission  
Alnakheel Quarter - At the corner of Prince Turki Bin Abdulaziz  
Road and Imam Saud Bin Abdulaziz Bin Mohammed Road  
Riyadh 11588  
Kingdom of Saudi Arabia

[Insert Date]

Name of Applicant.....

Dear Sirs,

**Re: Request for Applications for the Licensing of MVNO Services in the Kingdom of Saudi Arabia**

Having examined the RFA and the attached appendices including the License, we the undersigned hereby submit an Application for the grant of a License to provide Mobile Virtual Network Operator Services and enclose herewith:

1. Main Proposal as detailed in Section 4.2 of the RFA;
2. A separate envelope marked “Application Processing Fee” of one hundred thousand Saudi Riyals (SAR 100,000) to cover CITC’s cost of processing the Application by certified check drawn on an approved bank located in Saudi approved by SAMA in favor of “Communication and Information Technology Commission” payable in Riyadh.
3. A completed Compliance Checklist (using the Compliance Checklist Form attached as Appendix 5 of the RFA).

We undertake that:

- Facilities Based Unified Telecommunications Services License holders and existing Mobile Virtual Network Operators, will not
  - own, directly or indirectly, any class of shares in the Applicant;
  - nominate any person to the board of directors of the Applicant (or Consortium)

- Owners (individually or combined) in the entities that hold the Facilities Based Unified Telecommunications Services License or the entities that hold the MVNO license, will not:
  - own, directly or indirectly, more than ten percent (5%) of any class of shares in the Applicant;
  - Be a member of the board of directors of the Applicant (or Consortium).
- [Name of MVNO Partner] will own at least fifteen percent (15%) of the shares in the Applicant and has agreed to enter into a five year Management Agreement with the Applicant to provide it with the technology, know-how and operational and management experience required to enable it to provide MVNO services in KSA; and a true, complete and accurate copy of such agreement has been provided to CITC as part of the Application. We confirm that any subsequent amendments to the terms of the draft Management Agreement (including renewing or implementing a new Management Agreement) will be subject to the prior approval of CITC.
- No modifications or add-ins are allowed to the list or ownership percentages of Consortium members submitted by the Applicant after filing its Application and prior to the issue of the License. Any request for an amendment or addendum after the issuance of the license will be determined in accordance with CITC Statutes and other related regulations.
- We agree that, in the event of a discrepancy between this cover letter and the RFA, the RFA shall prevail.
- We confirm that all information provided in our Application and all associated documentation is complete, true and accurate in every detail and by virtue of having submitted an Application, we are bound by the information and commitments made by us.
- We confirm our agreement to the terms, conditions and provisions of the “Rules and Conditions for MVNO Services and IoT-VNO Services Provision” document and the RFA
- For the avoidance of doubt:
  - In this letter, words and expressions shall have the same meanings as are respectively assigned to them in the “Rules and Conditions for MVNO Services and IoT-VNO Services Provision” document and the RFA.
  - This letter and all other documents comprising our Application shall be governed by and construed in accordance with the laws of the Kingdom.
  - We confirm that, if we are selected as a Successful Applicant, we shall perform all requirements set out in Section 3.2.3 of the RFA.

The undertakings contained in this letter are integral to the award process and are of a continuing nature. In the event that any warranty is untrue or any undertaking is breached, we confirm that CITC may treat this as a breach of the conditions of the License and proceed in the manner provided for under CITC Statutes.

Yours faithfully,

[Signature of Authorized Signator[y/ies]]  
[Name of Authorized Signator[y/ies]]

## Appendix 4 Pro Forma Financial Summary

## Appendix 4

[Note to Applicants: please print this form and complete in accordance Section 4.2.4 of the RFA]

### PRO FORMA FINANCIAL SUMMARY

Name of Applicant: .....(Name of consortium).....

**Re: Request for Applications for the Licensing of MVNO Services in the Kingdom of Saudi Arabia**

	Unit	Years after commercial launch				
		Year 1	Year 2	Year 3	Year 4	Year 5
<b>Market Assumptions</b>						
Population	Millions					
% Growth	%					
% Addressable Market	%					
Addressable Market	Millions					
Penetration Rate	%					
<b>Operator assumptions</b>						
Market Share	%					
Market Share of Gross Adds	%					
Market Churn	%					
Average Number of Subscribers	Millions					
% Postpaid Subscribers	%					
On-net minutes	Minutes millions					
National minutes	Minutes millions					
International minutes	Minutes millions					
Incoming minutes	Minutes millions					
Total minutes of use	Minutes millions					
<b>Revenue assumptions</b>						
Postpaid ARPU	SAR					
Voice ARPU	SAR					
Messaging ARPU (SMS/ MMS)	SAR					
Data ARPU	SAR					
Prepaid ARPU	SAR					
Voice ARPU	SAR					
Messaging ARPU (SMS/ MMS)	SAR					
Data ARPU	SAR					
Average ARPU (Postpaid and Prepaid)	SAR					
Voice ARPU	SAR					
Messaging ARPU	SAR					
Data ARPU	SAR					
Service Revenue	SAR million					
Equipment Revenue	SAR million					
Interconnect Revenue	SAR million					
Other Operating Revenue	SAR million					



<b>Total Revenue</b>	<b>SAR million</b>
<b>Operating Cost Structure</b>	
Average Acquisition Cost per Subscriber	SAR
Marketing Cost per Subscriber	SAR
Total Subscriber Acquisition Cost	SAR million
<i>% of Revenue</i>	%
Average Administration Cost per Subscriber	SAR
Total Administration Cost	SAR million
<i>% of Revenue</i>	%
National Roaming Costs	SAR million
Interconnect Costs	SAR million
Wholesale service costs	SAR million
Other costs of sales	SAR million
Total cost of sales	SAR million
<i>% of Revenue</i>	%
Sales, marketing and distribution expenses	SAR million
General and administrative expenses	SAR million
Other operating expenses	SAR million
<b>Total Operating Expenditure</b>	<b>SAR million</b>
<i>% of Revenue</i>	
<b>EBITDA</b>	<b>SAR million</b>
<i>% of Revenue</i>	%
Number of Employees	#
<b>Capital Cost Structure</b>	
Network equipment	SAR million
Billing equipment	SAR million
Customer services equipment	SAR million
General IT systems	SAR million
<b>Total Capital Expenditure</b>	<b>SAR million</b>
<i>% of Revenue</i>	
<b>EBIT</b>	<b>SAR million</b>
<i>% of Revenue</i>	
<b>Net Income</b>	<b>SAR million</b>
<i>% of Revenue</i>	

Applicant shall also state the proposed Capital for the Company at its founding: .....SR

## Appendix 5 Compliance Checklist

## Appendix 5

*[Note to Applicant: please print and complete]*

### COMPLIANCE CHECKLIST

Communications and Information Technology Commission  
[Insert Date]

Name of Applicant.....(Name of consortium).....

Dear Sirs,

**Re: Request for Applications for the Licensing of MVNO Services in the Kingdom of Saudi Arabia**

**Note: Where the Applicant is compliant, no additional notes or reservations shall be added. In any case where the Applicant is not fully compliant with one or more of the following criteria a full explanation must be provided. Note that this compliance checklist is merely a summary of the RFA requirements, and in the case of any contradiction between the contents of the RFA and the contents of this checklist, the RFA shall prevail.**

Compliance Check-List	Compliant (Yes/No)	Reference to page numbers in the Application
<p><b>Cover Letter (Section 4.1)</b></p> <p>i. Cover Letter Form (Appendix 3)</p>		
<p><b>Main Proposal (Section 4.2)</b></p> <p>4.2.1 Applicants details, including all items referred to in this section as follows:</p> <ol style="list-style-type: none"> <li>1. Legal name or proposed legal name of the Licensee;</li> <li>2. Details of the ownership structure or the proposed ownership structure of the Licensee;</li> <li>3. Detailed information on each member of the Consortium. Such details must include the name, legal status, registered office address, a description of the business of each Consortium member, and the percentage ownership of the share capital held in the Consortium;</li> <li>4. A Chart showing the relationship among all Consortium members who will have a direct or indirect ownership interest in the Applicant</li> <li>5. The financial statements of any shareholder that owns, or any proposed shareholder that will own, five (5) per cent or more of the Applicant's shares or, if applicable, the financial statements of the Applicant. These financial statements must be provided for the preceding two fiscal years and should include an audited or certified income statement and balance sheet.</li> <li>6. The [powers of attorney/notarized certificates] issued by the chairman of the board, that clearly evidence the authority to the applicant to file the Application, and the authority to sign the documents filed with the Application, to meet the following criteria: <ul style="list-style-type: none"> <li>- Execute on the Company's behalf in whatever manner required any document or thing lawfully necessary to effect the Application for the Mobile Virtual Network Operator License in such form as the Attorney in his absolute discretion may reasonably deem necessary or desirable; and</li> <li>- Do or cause to be done all such acts and things as the Attorney in his absolute discretion may reasonably deem necessary or desirable in order to carry out and give effect to the Application for the</li> </ul> </li> </ol>		

Compliance Check-List	Compliant (Yes/No)	Reference to page numbers in the Application
<p>Mobile Virtual Network Operator License or any related matter</p> <p>7. A copy of the signed Preliminary MVNO Agreement made between the Applicant and the proposed Host FBP, or any signed document issued by the FBP. The Preliminary MVNO Agreement must be in Arabic, and a copy of the preliminary MVNO agreement may be provided in English. The agreement must be in accordance with the terms and conditions. And the Agreement should also be noted that the final agreement will be concluded upon winning the eligibility to obtain the license, to be a single condition, and without mentioning any other conditions.</p> <p>8. Financial comfort letter from a Saudi bank or an international bank accredited by Saudi Arabian Monetary Authority (SAMA). The financial cover letter will verify that the Applicant will have access to sufficient funding to meet its peak financing.</p> <p>9. The Compliance Checklist in accordance with appendix 5.</p> <p>10. A copy of the identity of the Authorized Signatory, and contact details.</p> <p>4.2.2 Copy of the draft Management Agreement with a foreign MVNO.</p> <p>4.2.3 MVNO Partner Experience</p> <p>The Application shall include details of:</p> <ul style="list-style-type: none"> <li>- The number of years of that partner's experience.</li> <li>- Number of its MVNO businesses currently in operation</li> <li>- Number of its subscribers and market share in each foreign market</li> <li>- Total annual gross revenues and profitability ratios of all its MVNO businesses over the past three years as a mobile operator or MVNO.</li> <li>- A description of the MVNO services currently offered in each foreign market.</li> <li>- Details of the levels of customer care and after-sales support present in each foreign market.</li> </ul>		

Compliance Check-List	Compliant (Yes/No)	Reference to page numbers in the Application
<p>- Description of the MVNO partner's operational processes and approaches in each foreign market.</p> <p>4.2.4 Business Proposal, including Pro-Forma Financial Summary as described in Appendix 4.</p> <p>4.2.5 Technical Proposal</p> <p>4.2.6 Processing Fee</p>		

[Signature of Authorized Signator[y/ies]]  
[Name of Authorized Signator[y/ies]]

## Appendix 6: MVNO Point of Presence

### Appendix (6) MVNO Points of Presence Table

Districts	Year 1		Year 2		Year 3		Year 4		Year 5	
	Name of Governorate or City	Number of POPs	Name of Governorate or City	Number of POPs	Name of Governorate or City	Number of POPs	Name of Governorate or City	Number of POPs	Name of Governorate or City	Number of POPs
1.Riyadh	example	Riyadh City								
		Al kharj city								
		Al Dolam City								
		-								
		-								
2, Eastern Province	example	Al Dammam								
		Al Khobar								
		Al Dahrhan								
		Jubail								
		-								
3. Makkah	example	Makkah City								
		Jeddah								
		Taif								
		-								
		-								
4.AlQassim										
5.Madinah										
6.Northren Borders										
7.Hail										
8. Tabuk										
9.Al Jawf										
10. Jazan										
11.Asir										
12.Najran										
13.Baha										

Notes: Applicants should complete the details of Table shown above and include a copy of this completed table with the MVNO license application documents.