

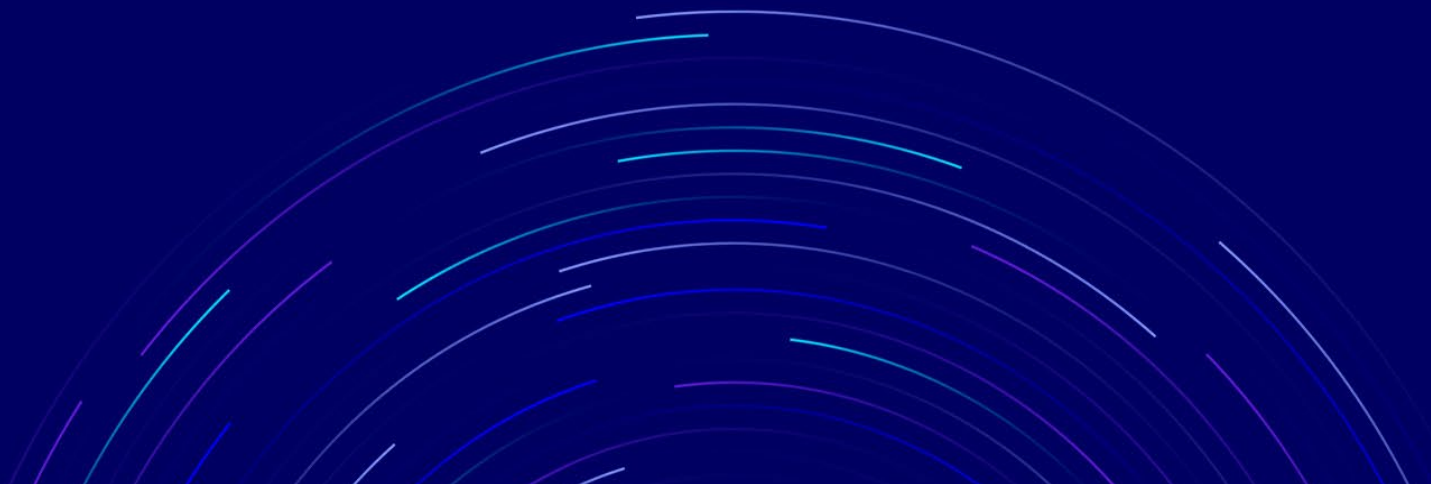
Regulatory Framework on License Classification

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1. Introduction

- 1.1 The Telecoms Act (the “Act”) and its Bylaw (the “Bylaw”) provide the Communications and Information Technology Commission (the “Commission”) with the authority to define the classification of telecommunications licenses and establish the conditions for issuance of each type of license.
- 1.2 Pursuant to its powers under the Act and the Bylaw, the Commission has adopted the “Regulatory Framework on Fixed and Mobile Services Licenses”, issued by Commission Decision number [136/1427] dated [17/09/1427H] corresponding to [30/09/2006G], as a basis for a “technology-neutral and service-specific” approach governing the overall licensing framework in the Kingdom.
- 1.3 Article 5.1 of the same Regulatory Framework provides that, over a period of time, and after reviewing the experience gained, the Commission may decide to move towards a “technology-neutral and service-neutral” regime (i.e. a Converged or Unified Licensing Regime).
- 1.4 In line with the same technology-neutral and service specific approach, the Commission adopted the “Regulatory Framework on License Classifications and Scope of Fixed and Mobile Services”, issued by Commission Decision number [135/1427] dated [17/09/1427H] corresponding to [30/09/2006G], which defines the types of licenses to be issued by the Commission and the scope of fixed and Mobile Services.
- 1.5 Based on the evolution of telecommunications markets in the Kingdom and the Commission’s powers under the above-mentioned Commission Statutes, this “Regulatory Framework on License Classification” introduces a new, technology-neutral and service-neutral regime in the Kingdom and adjusts accordingly the classification and scope of the telecommunications licenses that the Commission can issue.
- 1.6 Article 11.2(e) of the Bylaw empowers the Commission to add a requirement for an individual license to types of services other than those already mentioned in that article’s preceding list.

2. Definitions

- 2.1 The terms and expressions defined in the Act and the Bylaw shall have the same meaning in this Regulatory Framework.
- 2.2 The following terms and expressions shall have the meaning assigned to them hereunder:
- 2.2.1 “Data Services”, means a service providing data circuits from one point to another point, or data communications through a switched data network, including without limitation: Broadband Services, Virtual Private Network (VPN) Services, Digital Leased Line Services, Internet Protocol (IP) Services, Asynchronous Transfer Mode (ATM) Services, Frame Relay Services, Wavelength Services International Data Gateway Services, and International Data Transit Traffic Services.
- 2.2.2 “Facilities Based Provider” (FBP) means a service provider who builds, owns and operates a public telecommunication network for the provision of public telecommunications services to users by that FBP or another service provider.
- 2.2.3 “Fixed Services” mean electronic communications services between fixed or nomadic apparatus or stations.
- 2.2.4 “Mobile Services” mean radio communication services configured so as to permit full mobility of user terminals (radio stations), which permits a Subscriber within the mobile network to receive communications from or communicate with any apparatus or station.
- 2.2.5 “Nomadic services” means limited mobility services and applications for which the end user termination device may change its places but must be stationary while in use.
- 2.2.6 “Service Based Provider” (SBP) means a service provider who does not build or own a public telecommunications network and utilizes such networks from any FBP in order to offer telecommunications services to users.

3. Regulatory Framework

Facilities Based Unified License

- 3.1 This Regulatory Framework provides for a technology-neutral and service-neutral “Facilities Based Unified [Telecommunications or ICT] License”, i.e., a single license allowing FBPs to provide a wide range of defined Fixed, Mobile, Data and other licensed services and networks, using any type of communications infrastructure and technology capable of delivering the desired service.
- 3.2 The Facilities Based Unified License shall allow the licensee to:
- 3.2.1 Establish, operate, maintain and use a Public Fixed Telecommunications Network in the Kingdom, conforming to international standards approved by an international standards organization acceptable to the Commission, to provide its own Public Telecommunications Services to Users and wholesale services to other service providers that have a right to make use of such services under a Commission statute;
 - 3.2.2 Establish, operate, maintain and use a Public Mobile Cellular Telecommunications Network in the Kingdom, conforming to international standards approved by an international standards organization acceptable to the Commission, to provide its own Public Telecommunications Services to Users and wholesale services to other service providers that have a right to make use of such services under a Commission statute;
 - 3.2.3 Establish, operate and maintain an international access network.
 - 3.2.4 Provide the following public telecommunications services on the local, national and international level:

- 3.2.4.1 Fixed voice communications services;
 - 3.2.4.2 Fixed data communications services;
 - 3.2.4.3 Mobile voice communications services;
 - 3.2.4.4 Mobile data communications services;
 - 3.2.4.5 Other telecommunications services related to the fixed services mentioned in Articles 3.2.4.1 and 3.2.4.2 above including, but not limited to, voice messages, text, video and pictures or a combination thereof and other value added services as may be desired by the Licensee's Users and offered by the Licensee.
 - 3.2.4.6 Other telecommunications services related to the mobile services mentioned in Articles 3.2.4.3 and 3.2.4.4 above, including, but not limited to, short message services, multimedia services (such as video calls and video streaming), push-to-talk over cellular (PoC), location based services and other such value added services as may be desired by the Licensee's Users and offered by the Licensee.
- 3.2.5 Provide any other services and/or establish, operate and maintain any other network if such activity is expressly included by a Commission Statute to the services permitted under Regulatory Framework on License Classification.

3.3 Subject to Article 3.5 below, the Facilities Based Unified License supersedes and replaces the FBP's existing individual licenses, as well as any class licenses included in the scope of the Facilities Based Unified License, without prejudice to these FBP's existing obligations under these individual or class

licenses replaced through the Facilities Based Unified License, unless specified otherwise through a Commission Statute.

- 3.4 The Commission may make Facilities Based Unified Licenses available to other service providers in the future.
- 3.5 Service Providers who are advised by the Commission that they are entitled to a Facilities Based Unified License under Article 3.3 may choose to keep their existing individual and class license(s) instead of receiving a Facilities Based Unified License, under terms and conditions to be specified by the Commission.

License Classification and Scope of Services

3.6 Individual Licenses shall include:

- 3.6.1 Facilities Based Unified Licenses, which allow FBPs to provide all of the services and networks referred to under Article 3.2, above;
- 3.6.2 individual fixed licenses, which allow FBPs to provide in the Kingdom all of the services referred to in Articles 3.2.1, 3.2.3, 3.2.4.1, 3.2.4.2 and 3.2.4.5, above;
- 3.6.3 individual mobile licenses, which allow FBPs to provide in the Kingdom all of the services referred to in Articles 3.2.2, 3.2.3, 3.2.4.3, 3.2.4.4 and 3.2.4.6, above; and
- 3.6.4 individual data license, which allow FBPs to install, operate, maintain and use wireless and wireline networks, including an international gateway, in the Kingdom to provide data services in the Kingdom.

3.7 Class Licenses shall be required for:

3.7.1 Any telecommunications services or networks that may be provided by SBPs and require a class license pursuant to a Commission Statute;

3.7.2 Any telecommunications services requiring a class license pursuant to a Commission Statute and provided by FBPs, but only if these services are not covered by one or more individual licenses held by that FBP; and

General Provisions

3.8 All FBPs are required to transmit all emergency calls to the respective public organizations responsible for handling emergency calls regardless of whether the user subscribes to the FBP's service or not.

3.9 The Commission may require FBPs to offer emergency services including calling line information, caller location and information, and national roaming for emergency calling based on the developments in the market and technology.

3.10 This Regulatory Framework replaces and supersedes the Regulatory Framework on Fixed and Mobile Services Licenses and the Regulatory Framework on License Classifications and Scope of Fixed and Mobile Services referred to in Articles 1.2 and 1.4.