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MACRA—Notice of Individual Public Telecommunication Services

License issued to LACELL PRIVATE LIMITED . . . 263–302

GENERAL NOTICE No. 44

Reference: TEL-2015-003-TSP



Licence No. 003

(This licence number must be quoted on all correspondence and at interviews)

MALAWI COMMUNICATIONS REGULATORY AUTHORITY

INDIVIDUAL LICENCE

for

PROVISION OF PUBLIC TELECOMMUNICATIONS SERVICES IN THE REPUBLIC OF MALAWI

Issued to

LACELL PRIVATE LIMITED

Company Registration No. 9137 registered under the Companies Act, Cap 46:03 of the Laws of Malawi, for the purpose of providing Public Telecommunications Services in the Republic of Malawi.

Issued

In accordance with section 18 of the Communications Act, Cap 68:01 of the Laws of Malawi.

This Licence is valid for a period of ten (10) years from the date on which the licence is to take effect as stipulated in the Gazette, ("Effective Date") and is issued subject to the provisions of the Communications Act, any Regulations made there under and the terms and conditions of this Licence.

Notice issued at Blantyre, this 8th day of May, 2015.

Dated this 8th day of May, 2015.

ANDREW KUMBATIRA
Director General

LISA MAKAWA
Chairperson

This Licence is issued subject to the terms and conditions hereto, and to any other terms and conditions and promises of performance that may from time to time be incorporated herein under the Communications Act and the Regulations thereto. Failure to comply with any terms and conditions may lead to suspension or revocation of this Licence

Issued without alteration or erasure, and void if altered or erased

Public Telecommunications Services Licence (Lacell Private Limited)

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TERMS AND CONDITIONS OF THE LICENCE

In accordance with Section 18 of the Communications Act, the Authority grants this Licence to Lacell Private Limited ("the Licensee") to provide Public Telecommunication Services ("the Services") to any person in the Republic of Malawi for a period of ten (10) years from the date on which it was published in the Gazette ("the Effective Date"), subject to the conditions set out below.

PART I: ESTABLISHMENT

1. Interpretations

- 1.1 This document constitutes the Licence in its entirety.
- 1.2 Any reference to this Licence shall include its Schedules.
- 1.3 In this Licence, unless otherwise stated, words and terms used shall have the same meaning as defined in the Act and related Regulations.
- 1.4 Technical terminology used in this Licence shall have the same meaning as that ascribed to the terminology by the International Telecommunication Union (ITU).
- 1.5 The use of headings and divisions into clauses is for convenience of reference only and shall not affect the construction or interpretation of the Licence.
- 1.6 Unless the context indicates otherwise, words importing the singular shall include the plural and vice versa, words denoting persons shall include bodies corporate and unincorporated associations of persons and vice versa and words denoting the masculine gender shall include the feminine gender and vice versa.
- 1.7 Words and expressions defined in any clause shall, for the purposes of that clause, bear the meaning assigned to such words and expressions in such clause.
- 1.8 A provision conferring rights and obligation shall, notwithstanding that it is only in the interpretation Clause, be given effect as if it were a substantive Clause in the Licence.

2. Definitions

In this Licence, unless the context requires otherwise, the terms below shall have the following meanings:

"Act" means the Communications Act, Cap 68:01 of the Laws of Malawi;

"Authority" or "MACRA" means the Malawi Communications Regulatory Authority or any such successor organization or entity;

"Coverage" means provision of services to any customer in the locality as prescribed under Clause 15 of this Licence;

"Customer" means any person who avails the services of the Licensee or who has contracted with the Licensee for the provision of its services and shall include a consumer and a subscriber;

"Directory Service" means a service where records of customers are kept and made available to the public either on-line or through other forms of publication;

"Domestic Transmission Infrastructure" means all telecommunications infrastructure required to operate fixed and mobile telecommunication network and for the avoidance of doubt and without limiting the generality of the preceding words it also includes fibre optic wired and wireless transmission facilities.

"Effective Date" means the date on which this Licence is published in the *Gazette* for the purpose of bringing the Licence into effect or on the date stipulated in the *Gazette* that the Licence shall come into effect;

"Emergency Service" means any services to be offered by the Licensee in respect of any event or circumstances provided within any locality by the police, fire, ambulance and any other related authority as stipulated in the National Numbering Plan;

"ETSI" means the European Telecommunications Standards Institute;

"GSM" means Global System for Mobile communications;

"GSM Memorandum of Understanding or GSM MoU" means the agreement first entered into on 7th September 1987 by telecommunications administrators and operators for the implementation of pan-European digital cellular mobile telecommunications systems, as amended from time to time;

"Interconnection" means the physical and logical connection of telecommunication networks in order to allow the users connected to one telecommunication network to have access to users connected to other networks or to access services provided by means of such other networks;

"International Gateway Operator" means any telecommunication operator in the Republic of Malawi authorized to connect directly to networks of telecommunication operators in other countries;

“ITU” means the International Telecommunication Union;

“Leased Line” means a dedicated point to point circuit leased from any other telecommunication operator for the purpose of carrying telecommunications traffic;

“Master Customer Contract” means the terms and conditions on which the Licensee provides any of the Services to Customers;

“National ICT Policy” means the Malawi National ICT Policy as amended from time to time;

“Net Operating Revenue” means the total invoiced revenue of the Licensee (less discounts, VAT and other indirect taxes) derived from the provision of the Services, net of any interconnection fees and bad debts actually incurred. For the avoidance of doubt, Net Operating Revenue does not include revenue from the sale or rental of Terminal Equipment;

“Services” means telecommunication services provided under this Licence.

“Service Provider” means any person who is in the business of providing the Services to another and who has a contract with the Licensee for that purpose;

“Tariff” means any fee, subscription or charge to a Customer or Service Provider for the provision of the Services;

“Telecommunication Operator” means an operator of a telecommunication network licensed by the Authority under section 18 of the Act;

“Terminal Equipment” means any customer device or equipment to be connected to a public telecommunication network;

“Under-served Area” means a city, town, township, shanty town, location, village or human settlement or any part thereof as prescribed by the Authority from time to time but in any event within the areas referred to in Schedule 2;

“Universal Access Fund” means a fund established for the purpose of financing the improvement of access to public telecommunications services in rural and under-served Areas;

“Voice Telephony Service” means the commercial provision to the public of the direct transmission and switching of speech in real time between switched network termination points;

“Very Small Aperture Terminal” or “(VSAT)” means a satellite earth station used to provide a dedicated communication channel between a particular fixed point and another such point where neither is a termination point of the Public Telephone Network or of any other network used to provide Voice Telephony or data Services.

3. **Applicable Law**

3.1 This Licence shall be governed by the Laws of Malawi.

3.2 The Licensee shall comply with all Laws of Malawi applicable to its operations, including all decisions, rules and directions of the Authority issued in accordance with the Act.

4. ***Domicillium citandi et executandi***

4.1 All communications required pursuant to this Licence shall be in writing, in english and addressed to the respective party as follows—

(a) For the Authority—

The Director General
Malawi Communications Regulatory Authority (MACRA)
MACRA House
Salmin Amour Road
Private Bag 261
Blantyre
Malawi
Fax:
Email: dg-macra@macra.org.mw

(b) For the Licensee—

The Managing Director
Lacell Private Limited
P.O. Box 5469
Limbe
Fax:
Email:

- 4.2 Unless otherwise agreed by the parties, the parties shall give fourteen (14) days written notice when there is a change of address.

5. Commencement and Period of Licence

5.1 Period of Licence

- (a) The commencement date of the Licence shall be from the effective date as published in the Gazette.
- (b) The Licence shall be valid for a period of ten (10) years from the effective date.

6. Scope of Licence

6.1 This Licence is issued subject to the Act and any Regulations made thereunder.

6.2 The Licensee is authorized by this Licence to provide technology neutral public telecommunications services in Malawi and may install, commission and operate any domestic transmission infrastructure, domestic transmission capacity and switching infrastructure for providing the services that it may require for its public telecommunication network.

6.3 For the purpose of providing the Services under this Licence, the Licensee is authorised—

- (a) to set up, own and operate a public telecommunication network;
- (b) to connect to other telecommunication operators in the Republic of Malawi;
- (c) to procure, distribute, sell, rent, install and maintain Terminal Equipment for use in connection with its Telecommunication Services; and
- (d) to do all other things necessary or requisite to the provision of the Services.

6.4 The Licensee may use the transmission capacity and switching infrastructure of other Telecommunication Operators.

6.5 The Licensee shall provide international services to its Customers by means of connection to any authorized International Gateway Operator. Where the Licensee requires operation of its own international gateway, it shall apply for a separate international gateway licence.

6.6 This Licence is valid in the Republic of Malawi.

6.7 The services that the Licensee is authorised to provide by means of its telecommunication network include—

- (a) voice telephony services;
- (b) facsimile;
- (c) data communications, including Internet access;
- (d) International and National long-distance telecommunications services;
- (e) Public pay-telephone services;
- (f) Leased line services;
- (g) Value added telecommunication services, including—
 - (i) Short messaging services (“SMS”);
 - (ii) Multimedia services (“MMS”)
 - (iii) Voice mail;
 - (iv) Pre-paid calling card and electronic top-up services;
 - (v) Instant messaging services;
 - (vi) Video conferencing services;
 - (vii) Interactive voice mail and voice services;
 - (viii) Financial transactions including, account balance transfers, funds transfers, bill payments and on-line auctions;
 - (ix) Any equivalent, similar or improved service as approved by the Authority from time to time.

7. Rights and Obligations to provide Telecommunication Services

- 7.1 The Licensee shall construct, maintain and use a telecommunication network within Malawi and provide telecommunications services in terms of this licence and the Act.
- 7.2 The Licensee may enter into Interconnection and access agreements with other telecommunication operators in accordance with the provisions of Sections 26 and 28 of the Act respectively and any Regulations made thereunder.
- 7.3 Without prejudice to clause 7.1, the Licensee shall be entitled to—
- (a) sell or lease the use of; or
 - (b) install or maintain, any telecommunications facility or equipment, including; any customer premises equipment, subject to any terms and conditions that may from time to time be prescribed by the Authority and which are applicable to all telecommunication operators.
- 7.4 Subject to clause 7.5, the Licensee shall be entitled by virtue of this Licence to operate the telecommunications network and to provide all of the Services together with all other rights granted hereunder.
- 7.5 The Licensee is authorized to exercise any of its rights granted under this Licence, by itself or in co-operation with any agent, contractor or Service Provider ("Third Party"), provided that, where the Licensee elects to exercise any of its rights under this Licence in co-operation with any Third Party it shall be on the basis that—
- (a) the Licensee shall be liable for any acts or omissions of any Third Party in relation to the exercise of the rights granted under this Licence and such liability shall be limited to acts or omissions which constitute contraventions of this Licence;
 - (b) the Licensee shall enter into a written agreement with any such Third Party with terms that ensure compliance with the terms and conditions of this Licence at all times ;
 - (c) the Licensee shall notify the Authority of any agreement entered into with any third party pursuant to this clause at least thirty (30) days prior to the commencement of such agreement;
 - (d) the Authority, acting reasonably and having due regard to the commercial considerations applying to the Licensee at any material time, may require the Licensee to modify the proposed agreement thereof within fifteen (15) days of receipt of the aforesaid notice, provided that the Authority shall not require any modification to be made which would, as a result, render the Licensee to be in a less favorable commercial or legal position than any other telecommunication operator;
 - (e) the Authority shall, upon becoming aware of any breach of any condition of this Licence, by the Third party, or of any complaint lodged with the Authority in relation thereto, notify the applicant in writing to correct such breach;
 - (f) failure by the Authority to notify the Licensee of any contravention shall not in any way negate or limit the Authority's rights in respect of such contravention under this Licence.

8. Licence Fees

- 8.1 The Licence fees payable by the Licensee to the Authority shall be as follows—
- (a) An initial licence fee of two hundred thousand US dollars (USD 200, 000) payable in advance on or before the Effective Date or as otherwise agreed by the parties.
 - (b) An annual Licence fee of Two Hundred Thousand US dollars (USD 200,000.00) payable in advance on or before each anniversary of the Effective Date.
 - (c) A levy equal to—
 - (i) one per centum (1%) of audited Net Operating Revenue for the first year of the licence;
 - (ii) two per centum (2%) of audited Net Operating Revenue for the second year of the licence;
 - (iii) three per centum (3%) of audited Net Operating Revenue for the third year of the licence;
 - (iv) four per centum (4%) of audited Net Operating Revenue for the fourth year of the of the licence;
 - (v) five per centum (5%) of audited Net Operating Revenue for the fifth of the licence and thereafter.

The levy for each year shall be payable at the end of each quarter in four installments. Calculation of the first three (3) quarterly installments shall be based upon the management accounts for that particular period. A final quarterly payment shall be made based on Net Operating Revenue within thirty (30) days of issue of the audited accounts. Adjustment shall be made for the first three (3) quarterly payments if the Net Operating Revenue in the management's accounts differs from the one in the audited accounts.

- (d) The levy referred to in Clause 8.1(c) shall not include revenue generated from international incoming communication traffic.
- (e) Radio Licence fees shall be as set out in Schedule 1

- 8.2 All outstanding Licence and radio Licence fees shall be payable within three (3) months from their due dates, failing which they shall attract a five percent (5%) annual interest until full liquidation thereof.
- 8.3 If, in any year, any licence fees remain outstanding on the sixth (6th) month and ninth (9th) month the licensee shall be deemed to have been warned and given notice to pay within three (3) months thereof respectively. If any sum remains unpaid the licence shall stand automatically revoked on the twelve (12th) months from the anniversary from the effective date.

9. International Call Termination Rate

- 9.1 Where the Licensee is granted an international gateway licence it shall charge a minimum rate of USD 0.20 or as advised by the Authority from time to time for all international incoming voice traffic.
- 9.2 The Licensee shall not charge its customers a higher fee for its local voice traffic as a result of the introduction of the minimum rate for international incoming voice traffic.
- 9.3 The Licensee shall submit to the Authority within seven (7) days any information or data required by the Authority to establish mechanisms and measures for monitoring compliance with this clause.
- 9.4 The licensee shall collect and remit to the Authority a fee of USD 0.08 per minute from the revenues generated from international incoming voice traffic.
- 9.5 Unless otherwise agreed by the Authority all fees collected under clause 9.4 shall be payable to the Authority on or before the 15th day of the month following the month in which the fees were received from international carriers, failure of which shall attract a penalty of 20% of the amount of the fees
- 9.6 The Authority may, from time to time, revise the minimum rate and the amount of the fee applicable to international incoming voice traffic under this clause.

10. Accounting Requirements

- 10.1 The Licensee shall within three (3) months of the end of each financial year either—
 - (a) provide the Authority with annual financial statements audited in a manner consistent with internationally recognized standards and certified by a qualified independent auditor; or
 - (b) provide the Authority with a written statement of the reasons the audited financial statements cannot be provided within that period and agree with the Authority a date for their provision, which date shall not be more than six (6) months after the end of the financial year to which the accounts relate.
- 10.2 The Licensee shall establish and maintain management accounts that enable the annual operating revenues and costs of provision of all telecommunication services to be separately identified

11. Performance Guarantee

- 11.1 The Licensee shall provide a guarantee acceptable to the Authority in the amount of One Hundred Thousand United States Dollars (US\$100,000) to secure the performance of the Licensee's obligations contained in this Licence.
- 11.2 The Licensee shall ensure that the guarantee is issued within thirty (30) days from the Effective Date or anniversary of the Effective Date, whichever applies. The Licensee shall renew the guarantee annually within twenty eight (28) days of the date of its expiry.
- 11.3 Failure to furnish the performance guarantee under this clause by the Licensee shall be deemed as a substantial breach of this Licence and the Authority may revoke the Licence in accordance with its terms and conditions.
- 11.4 In the event that the Authority imposes a penalty upon the Licensee for any breach of the Licence conditions, the Authority shall, without prejudice to any of its rights or remedies under the Licence or the Act, have the right to draw upon the performance guarantee to partly or fully satisfy the penalty so imposed upon giving seven (7) days notice to the Licensee, together with reasons for doing so.
- 11.5 The Authority may take any other action against the Licensee to satisfy the penalty imposed where the guarantee is inadequate to satisfy the penalty.

12. Provision of Information

- 12.1 The Licensee shall establish and maintain adequate records to permit the effective supervision and enforcement by the Authority of the Licensee's obligations under this Licence.
- 12.2 The Licensee shall furnish the Authority records, audited financial statements, management accounts, estimates, raw technical data, ICT indicators, reports returns, or any other information that may be required for the purpose of monitoring and enforcing compliance by the Licensee with its obligations under this Licence.
- 12.3 The Licensee shall submit the information requested by the Authority under this clause within timelines and manner and format as specified by the Authority.
- 12.4 The Authority may inspect files, records, accounts and any other data if necessary make copies of the documents inspected for the purpose of enabling the Authority to monitor and enforce compliance with this Licence.
- 12.5 The Licensee shall bear the cost of any expenses it incurs in ensuring compliance with record keeping and provision of information.

13. Compliance

- 13.1 The licensee shall comply with any order or directions made by the Authority in pursuant with any powers granted to it under the Act, Regulations and this Licence.

14. Integrity of Network

- 14.1 The Licensee shall take all reasonable steps to ensure integrity of its network at all times.

PART II: PUBLIC SERVICE CONDITIONS**15. Network roll-out and Coverage**

- 15.1 The Licensee shall provide coverage for public telecommunication services in the areas and by the dates specified in Schedule 2.
- 15.2 The Licensee shall roll out and commence provision of public telecommunication services to the general public in the areas set out in Phase One in Table S2B of Schedule 2 within twelve (12) months from the effective date failing which this licence may be revoked.
- 15.3 The Licensee shall meet the network rollout targets set out in Table S2B of Schedule 2 within the periods setout therein unless otherwise agreed between the Authority and the Licensee.
- 15.4 The Licensee shall submit to the Authority its network roll out implementation plan within 30 days from the Effective Date
- 15.5 If the licence fails to achieve any target specified in Schedule 2, the Licensee shall be liable to pay the penalties specified in the said Schedule.
- 15.6 The Licensee shall provide services under this Licence to the public generally without discrimination.
- 15.7 The Licensee shall submit to the Authority not later than thirty (30) days after the end of its financial year a report of its performance in relation to the network roll out targets stipulated in Schedule 2 in the preceding financial year.
- 15.8 Network Roll out Targets set in Schedule 2 shall be reviewed by the parties after five (5) years.
- 15.9 The Licensee shall ensure that it offers affordable basic packages for its services to the average local Malawian.
- 15.10 The Licensee shall in so far as is practicable extend the basic services and introduce new and advanced services.

16. Public Emergency Call Services

- 16.1 The Licensee shall provide 24 hour access to emergency numbers to its customers free of charge.
- 16.2 Where necessary the Licensee shall provide 24 hour access to operator assisted services to its customers free of charge.
- 16.3 The Licensee shall provide and use exclusively for emergency services, the short codes assigned to emergency services in the National Numbering Plan.

- 16.4 The Licensee shall facilitate and cooperate with all government bodies, departments and official agencies responsible for emergency services and national security.
- 16.5 The Licensee shall enter into agreements for the provision of emergency services through a centralised call centre accessible to customers from different telecommunication networks.
- 16.6 The Authority reserves the right to declare Emergency or Toll Free numbers that any person can call free of charge and the Licensee shall connect the Emergency or Toll Free number as directed by the Authority in line with National Numbering Plan.
- 16.7 Where interconnection for the provision of emergency or toll free numbers is required, the Licensee shall not claim or charge interconnection fees from any other telecommunications operator.

17. Directory Information

- 17.1 The Licensee shall provide its customers with access to any Directory Information Service offered by itself or any telecommunications operator or service provider, to this end the Licensee shall exchange relevant customer or subscriber data with other operators or service providers without charge.
- 17.2 The Licensee shall maintain an integrated customer or subscriber data base for the purposes of providing directory information and inquiry services to its customers.
- 17.3 The Licensee shall on every anniversary of the Licence inform the public through the media or any other means specified by the Authority of the intention to provide directory services to the public.
- 17.4 The Licensee upon request from a customer shall make necessary arrangements to have the number of the customer published in a directory service offered by itself, any other telecommunications operator or service provider.
- 17.5 The Licensee shall make directory services accessible to its customers in hard copy and any other accessible format.
- 17.6 The Licensee shall not use any information or data obtained from a customer under this clause for any purpose other than the Directory Service and shall comply with any data protection laws applicable to the processing of such data.
- 17.7 The Licensee shall correct its records for purposes of providing directory services where a mistake in the customer information is brought to its attention and shall correct such information in the next publication of the directory, or if it is an electronic directory, immediately.

18. Network and Service Development

- 18.1 The Licensee shall submit for notification to the Authority a Development Plan setting out targets for on-going development of its network and services and shall outline the achievement measurements for the targets of the plan and the Authority shall reserve the right to require the Licensee to review any aspect of the plan that is inconsistent with the Act and any Regulation
- 18.2 The Licensee shall submit to the Authority the Plan stipulated in clause 18.1 within thirty (30) days from the Effective Date.
- 18.3 The Licensee may from time to time review its Development Plan to accommodate technological changes in the industry.

19. Consumer Protection

- 19.1 The Licensee shall ensure that Consumer Rights applicable to telecommunications consumers are respected in the provision of services under this Licence and shall to that effect comply with Consumer Protection Regulations made under the Act.
- 19.2 The Licensee shall comply with any Consumer Protection Regulations made under the Act.
- 19.3 The Licensee shall provide clear and understandable information to customers or potential customers which information shall include—
 - (a) the name of the service provider,
 - (b) toll free consumer service numbers,
 - (c) activation fee or initiation fee including deposit requirements if applicable,
 - (d) access fees or base charges, tariff provisions for calculating charges per call including minimum charges,
 - (e) peak and off peak times and rates, night, weekend, holiday and international rates; and
 - (f) Any other information specified by the Authority.

- 19.4 The licensee shall notify customers about the availability of consumer complaint procedures and have in place forms to be used for registering complaints.
- 19.5 The Licensee shall submit to the Authority for approval Master Customer Contract with Service Level Agreements (SLA) containing the standard terms and conditions for the provision of services under this Licence.
- 19.6 The Master Customer Contract stipulated in clause 19.5 shall include—
- (a) the customer/consumer rights
 - (b) the supply time for initial connection;
 - (c) the services offered and covered by the terms of the agreement;
 - (d) the conditions referring to suspension or interruption of the service in case of non-payment by the customer;
 - (e) the compensation or refund arrangements for the customers which apply if the agreed service levels are not met and, if none are applicable, a statement to that effect;
 - (f) information on service quality levels offered;
 - (g) procedure for settling disputes with customers as approved by the Authority; and
 - (h) any other condition specified by the Authority.
- 19.7 In exercising its powers under clause 19.5 the Authority may direct the Licensee to amend or alter any term or condition of the Master Customer Contract to ensure compliance with the Act or any Regulations made there under.
- 19.8 The licensee shall honour all terms and conditions under its Master Customer Contract.
- 19.9 Where a dispute arises between a Customer and the Licensee on the interpretation of a service agreement that had not been submitted to the Authority for approval prior to the dispute or complaint and the dispute is submitted to the Authority for resolution, the decision of the Authority shall prevail over the provisions in the service agreement.
- 19.10 The Licensee shall make available to the public any approved Master Customer Contract in any of the following ways—
- (a) filing a copy with the Authority;
 - (b) making copies available during regular business hours at its principal offices and any branch offices open to the public;
 - (c) by posting a copy on its website; or
 - (d) Any other mode specified by the Authority.
- 19.11 The Licensee shall retain a copy of each post paid subscriber contract for at least one (1) year following termination of the contract.
- 19.12 The licensee shall establish and maintain call centre at all times and Customer Care Centre during working hours.
- 19.13 The Licensee shall submit to the Authority every quarter or as directed by the Authority a report indicating the number of complaints received from its customers, the nature of the complaint and the steps taken by the Licensee to address those complaints. The report shall be in a manner and format as specified by the Authority.
- 19.14 The Licensee shall not by act or omission engage in unfair commercial practices when selling or promoting its services to customers.
- 19.15 Unfair commercial practices stipulated under clause 19.14 shall include—
- (a) providing customers with misleading, inadequate or unclear details on tariff or services; or
 - (b) any act or omission that puts the customer on an unfair disadvantage.
- For the purposes of this clause,—
- “Misleading” includes false information that is untruthful in any way or deceptive and may cause or likely to cause for the customer to make a transactional decision that he may not have taken otherwise.
- “Misleading by omission” means when a commercial practice with all its limitations taken into consideration omits, hides or provides in an unclear, unintelligible, ambiguous or untimely manner the information with relation to the said services that may cause or likely to cause for the consumer to make a transactional decision that he may not have taken otherwise.
- 19.16 Conducting in unfair commercial practice shall be deemed as a substantial breach of this Licence and the Authority may revoke the Licence in accordance clause 46 of this licence.

20. Settling Disputes with Customers

- 20.1 The Licensee shall submit for approval its customer complaint handling procedures.
- 20.2 The licensee shall notify customers about the availability of customer complaint procedures and have in place forms to be used for registering complaints.
- 20.3 The Authority shall make determinations on any disputes between the Licensee and any customer in any of the following circumstances—
- (a) where the complaint remains unresolved after fourteen (14) days from the date when the complaint was made;
 - (b) where the customer is dissatisfied with the decision of the Licensee; or
 - (c) any other ground specified in applicable Regulations.

21. Billing Arrangements

- 21.1 The Licensee shall provide to its customer a clear and concise statement of charges timely and on regular basis.
- 21.2 The statement referred to in clause 21.1 shall reflect—
- (a) the tariffs;
 - (b) terms and conditions for applicable tariff or service plans which the customer subscribes to;
 - (c) due date of payment before late charges are incurred;
 - (d) any other condition specified by the Authority.
- 21.3 The Licensee shall not bill its customer for any charges which it has not disclosed to the customer in its published tariff or terms and conditions or for services that have not been sought for by the customer.
- 21.4 The Licensee shall establish appropriate procedures to ensure that customer bills are accurate and the amount due after deducting any credits, discounts or similar adjustments is not higher than an amount which represents the true extent of the services actually provided by the Licensee to the customer.
- 21.5 Without prejudice to the generality of the foregoing clauses, the Licensee shall at all times maintain in operation such a Billing Process that facilitates compliance with this Licence.
- 21.6 The Licensee shall keep billing records as may be necessary or as may be determined by the Authority for the purpose of satisfying the requirements of this clause, provided that nothing in this clause shall require the Licensee to retain any records for more than two (2) years from the date on which they were generated. Notwithstanding the foregoing, the Licence shall retain pre-paid billing records for a minimum period of twelve (12) months from the date they were generated.
- 21.7 The Authority shall have the right to inspect and independently verify the Licensee's billing process for purposes of ensuring compliance with this clause.
- 21.8 Where the Authority provides written notice to the Licensee that it is exercising its right under this clause, the Licensee shall cooperate with the Authority by making available, for a reasonable period, appropriate personnel with knowledge of the billing process and provide all back up and support documentation and other information that the Authority may require.

22. Itemized Billing

- 22.1 The Licensee shall within seven (7) days from date of request provide any post paid or pre-paid customer an itemized bill in such a manner that is self explanatory and where necessary with appropriate explanation to clearly show the call details of the customer for the billing period to verify the billed amount.
- 22.2 The Licensee shall ensure that calls which are free of charge to its Customers, including calls to emergency lines, shall be identified in its Customers' itemized bills.

23. Notifications to Customers

- 23.1 The Licensee shall give its customers three (3) days notice prior to effecting any changes in its tariffs and seven (7) days notice prior to carrying out planned service outages.
- 23.2 A licensee shall immediately and without delay notify its customers of any problems likely to affect thirty (30) percent of the service area.
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23.4 The notices to customers under this clause shall be published in the following manner—

- (a) via sms;
- (b) media; or
- (c) any other mode specified by the Authority.

PART III - GENERAL CONDITIONS RELATING TO PROVISION OF MOBILE TELECOMMUNICATIONS

24. Service Standards and Quality of Service

- 24.1 The Licensee shall ensure that its network shall conform to ITU, ETSI, and GSM MoU specifications and any other national and international standards as specified by the Authority as applicable to all public telecommunication networks in the Republic of Malawi.
- 24.2 The Licensee shall achieve the Quality of Service (QoS) standards as specified in Schedule 3 and any failure to meet the targets shall attract penalties set out in the Schedule.
- 24.3 The Licensee shall ensure that voice and data traffic passes through its network with minimal interference, degradation or loss.
- 24.4 Notwithstanding any regulatory sanctions under this licence, the Authority shall impose penalties in Schedule 3 for failure to meet QoS targets under the schedule.
- 24.5 In addition to the penalties applicable under schedule 3, where the Licensee fails to meet six (6) or more QoS targets with margin failure of 10% or more, the Licensee shall be deemed to have been issued with a first warning for failure to meet such targets for the first time and if the Licensee fails to meet QoS targets a second time it shall be deemed to have been issued with a final warning and any subsequent failure to meet QoS target shall be deemed substantial and continuing breach of this licence entitling the Authority to revoke the licence in accordance with clause 46 of this licence.
- 24.6 The Licensee shall adhere to the following service conditions:
 - (a) the provision of a system designed and maintained to provide the Services continuously twenty four (24) hours a day throughout the year;
 - (b) the rectification of all failures and restoration of service within the shortest practicable time; and
 - (c) the use of its best endeavors to minimize down-time for essential maintenance and network upgrade.
- 24.7 The Authority may vary, change, amend, modify or revise the QoS targets from time to time and the Licensee shall comply with the new set targets within the time periods stipulated by the Authority.
- 24.8 The Licensee shall submit to the Authority quarterly reports on its compliance with each of the QoS target within 14 days after the end of each quarter, in such form and manner as stipulated by the Authority.
- 24.9 The Licensee shall maintain records regarding its compliance with this clause and the Authority may at any time request the submission of such records.
- 24.10 Without compromising the QoS standards the Licensee shall ensure efficient use of spectrum.
- 24.11 Where there is the possibility of cross border radio interference, the Licensee shall provide support to the Authority in coordination meetings with the affected country.
- 24.12 The Authority may not impose any penalties for failure to meet QoS Targets set out in Schedule 3 of this Licence as a result of force majeure, provided that the Licensee shall promptly notify the Authority within three (3) hours of the facts and circumstances giving rise to such inability to comply and the Licensee shall take any commercially reasonable action necessary to correct any fault or avoid any such circumstances so as to re- establish compliance with QoS targets.
- 24.13 In any circumstances under clause 24.12 above, the Licensee shall make public announcements of the network failure through radio, print media or any other reasonable means possible.
- 24.14 The Authority reserves the right to inspect and independently verify the cause and extent of the failure to comply with the QoS targets.
- 24.15 The Licensee shall make all reasonable endeavors to comply with the applicable recommendations of the ITU and its associated organizations.

25. Application of International Telecommunication Regulations

- 25.1 The Licensee shall comply with any international agreements that have been ratified by the Government of Malawi.
- 25.2 The Licensee shall have the status of a Recognized Operating Agency within the meaning of the International Telecommunication Regulations (ITRs).
- 25.3 The Licensee may negotiate and conclude commercial and operating agreements with any Authorized Foreign Operator, subject to any Code of Practice as may be published by the Authority.
- 25.4 The Licensee shall not enter into any agreement with an Authorized Foreign Operator which unfairly precludes or restricts the provision of international services by another operator or service provider. Provided that the Authority shall ensure that all Telecommunications Operators shall equally comply with this requirement.
- 25.5 The Licensee shall provide other telecommunications operators with the International Connection Services that they reasonably require on a non-discriminatory and reciprocal basis within thirty (30) days of receipt of a request for such a service.
- 25.6 Where it acts as signatory to an international agreement the Licensee shall provide access to the facilities and services governed by that agreement to other operators licensed to provide international services on a non-discriminatory basis. Provided that all such agreements entered into by other Telecommunications Operator shall be made available to the Authority, and shall further ensure that this provision equally applies to all other telecommunications operators.
- 25.7 Where any international organization to which a telecommunication operator in the Republic of Malawi wishes to belong requires that there should be a single signatory per country, the Licensee may be that signatory upon liaising with other interested telecommunications operators. Provided that the Licensee shall protect and promote the interests of all telecommunications operators in Malawi.
- 25.8 The Licensee shall comply with any Regulations issued by the Authority on traffic routing, accounting rates and settlement procedures for international Voice Telephony Services.
- 25.9 The Licensee may apply for an International Gateway Licence or lease capacity.

26. Spectrum Obligations

- 26.1 The Licensee shall not use any frequency without prior assignment by the Authority.
- 26.2 To this end, the Licensee shall apply for radio licences for individual base stations within its network in the manner and form as specified by the Authority and the Authority shall respond within 14 days from the application date.
- 26.3 The Licensee shall only use an assigned frequency after the grant of a valid radio Licence covering that frequency and in accordance with the terms of the radio Licence.
- 26.4 The Licensee shall pay for radio frequencies in accordance with Schedule 1 of this Licence.
- 26.5 The Licensee shall submit to the Authority its spectrum usage plan for its assigned frequencies within thirty (30) days from the effective date.
- 26.6 The Authority may assign or re-farm frequencies assigned to the Licensee as required to meet the growth in demand for the Service in accordance with the Act, applicable regulations and the National Frequency Band Plan.
- 26.7 The Authority reserves the right to make any re-arrangement in the assignment within the band for maintaining the continuity of spectrum allocated or assigned if required in the future and the Licensee shall ensure that its equipment shall have provision to readjust according to such re-arrangement.
- 26.8 The Authority will make rearrangement stipulated under clause 26.7 for any of the following reasons—
- (a) to create a level – playing field for all operators;
 - (b) to achieve overall objectives of the Authority under the Act and any other relevant Regulations made thereunder; or
 - (c) to comply with international best practices.
- 26.9 The Authority shall at any time inspect and analyze the spectrum efficiency of any assigned frequencies to ensure proper utilization of the frequencies.
- 26.10 The Licensee shall ensure that transmission is restricted as per ITU Radio Regulations to avoid harmful interference within its assigned frequency band.

26.11 The Authority shall revoke a radio licence assigned to any licensee for any of the following reasons—

- (a) frequency hoarding;
- (b) failure to pay frequency fees;
- (c) use of frequencies contrary to terms and conditions of a radio licence;
- (d) use of unassigned frequencies; or
- (e) any other ground specified by the Authority.

27. Type Approval

- 27.1 The Licensee shall submit to the Authority for type approval prior to its use any telecommunications equipment to be used for connection or access to the licensee's network. The Licensee shall make the submissions in a form and manner as specified by the Authority.
- 27.2 The Licensee shall permit any Customer to connect any type approved Terminal Equipment to any relevant public telecommunications network.
- 27.3 The Licensee shall accept as conclusive evidence that Terminal Equipment is type approved based on a written statement of compliance from the Authority or any type approval organization recognized by the Authority.
- 27.4 The Licensee shall consult with the Authority from time to time regarding the arrangements for testing and type approval of Terminal Equipment

28. Numbering

- 28.1 The Licensee shall comply with the National Numbering Plan stipulating the allocation and assignment of numbers issued by the Authority.
- 28.2 The Licensee shall not use any short codes or any other services listed in the National Numbering Plan without prior approval by the Authority.
- 28.3 The Authority may assign additional blocks of contiguous numbers in accordance with the applicable Regulations and National Numbering Plan in sufficient time to enable the Licensee as required to meet the demand for its Services.
- 28.4 The Licensee shall have the right to make individual number assignments to its Customers at its sole discretion.
- 28.5 The Authority shall from time to time consult the Licensee in respect of —
- (a) the arrangements for the allocation and re-allocation of Numbers within the National Numbering Plan, as may be amended from time to time and including any developments of, additions to, or replacements of the National Numbering Plan; and
 - (b) the public announcements, by the Authority, regarding newly assigned block numbers for the Licensee.
- 28.6 The Licensee shall register all its subscribers in the manner as specified by the Authority.
- 28.7 The Licensee shall ensure that any person selling its SIM card shall not sell the card without card registration.

29. Tariff

- 29.1 The Licensee shall before providing any service, submit to the Authority for notification its proposed tariff structure for the service.
- 29.2 The tariff structure proposal under Clause 29.1 above shall include—
- (a) a description of the service;
 - (b) terms and conditions on which the services are offered;
 - (c) a tariff schedule containing the maximum and minimum charges it proposes to charge for the service and the justification for the charges;
 - (d) the methodology adopted for determining the charges;
 - (e) any relevant information that it proposes to publish to its customers. Information to be published shall be in a form which is readily available, current and easy to understand;

- (f) the term or period for which the tariffs shall be in force; and
 - (g) any other information as stipulated by the Authority.
- 29.3 The Licensee shall ensure that charges for its services are based on the approved tariff structure.
- 29.4 The Licensee shall not provide any new service before obtaining a written approval of the Authority for its tariffs and shall comply with any condition imposed by the Authority in line with applicable regulations.
- 29.5 The Licensee shall not impose any charges for the provision of any specified telecommunications service until the Authority has agreed to such charges.
- 29.6 For the avoidance of doubt, the Licensee shall provide the specified service at the charges, terms and conditions so approved by the Authority and shall not depart or change the tariffs without prior approval of the Authority.
- 29.7 In approving the tariff structure under this clause the Authority shall be guided by the need to ensure that such charges are transparently derived from relevant costs with a rate of return considered reasonable.
- 29.8 The Licensee shall notify the Authority on any increase in tariffs and shall cause the same to be widely published in at least two local daily newspapers and the licensee's website within seven (7) days of their coming into operation.

30. Interconnection Obligations

- 30.1 The Licensee shall enter into an interconnection agreement with any Telecommunication Operator and such interconnection agreement shall include—
- (a) the connection of the Licensee's network to any other licensed operator's switched voice telephone network and vice versa in accordance with Section 26 of the Act and any applicable Regulations made thereunder;
 - (b) the handing over of traffic in either direction between the Licensee and the other Telecommunication Operator;
 - (c) the use of Leased Lines;
 - (d) the provision of related services requested by the Licensee including Emergency Service obligations and directory services; and
 - (e) any other services as specified by the Authority from time to time
- 30.2 If the interconnection agreement with a Telecommunications Operator is not concluded within three months, the provisions of clause 31.7 shall apply.
- 30.3 The terms and conditions of any interconnection agreement entered into by the Licensee shall—
- (a) be in accordance with the terms and conditions of this Licence;
 - (b) comply with the Act and any Regulations made thereunder;
 - (c) not discriminate against any other telecommunication operator;
 - (d) conform with the standards referred to in clause 24 of this Licence;
 - (e) not cause harm to any public telecommunication network; and
 - (f) not discriminate based on technology used, type of carriers being connected, or the services to be provided, unless there are technical factors requiring different standards.
- 30.4 The Licensee has the right to enter into an interconnection agreement with any other Telecommunication Operator, provided that arrangements for interconnection do not adversely affect the rights and obligations of any other Telecommunication Operators or its customers including such customers' right to privacy and to confidentiality of any communications.
- 30.5 An Interconnection agreement made under the terms of this Licence shall include—
- (a) the type of services to be offered;
 - (b) the method to establish and maintain the connection to the Licensee's network and vice versa;
 - (c) the points of Interconnection of the networks;
 - (d) the capacity required to ensure a reasonable grade of service;
 - (e) a requirement that any traffic is received with a specifically defined minimum quality of service;

- (f) the billing and collection arrangement between the parties for traffic to third parties by virtue of Interconnection, within or outside of Malawi;
 - (g) that the Licensee shall provide Interconnection services to the requesting Telecommunication Operator on the basis of the relevant forward looking long run incremental costs (LRIC) to be directly incurred by the Licensee as a result of the Interconnection;
 - (h) that the interconnection arrangements shall ensure that the quality of service offered to the telecommunication services users in the Republic of Malawi is not degraded. The arrangements for interconnection between the Licensee's network and other networks shall also ensure that there are regular exchange of technical information and network management data relevant to the operation and maintenance of the Licensee's and other public telecommunication networks, including call routing, carried traffic, call failure rates and scheduled maintenance;
 - (i) that future requirements for interconnection are facilitated in accordance with the conditions of this Licence and in consultation with other Telecommunication Operators within three (3) months of a notice of such requirements being given; and
 - (j) arrangements for communication with other telecommunication operator for the provision of Emergency Services through a centralized call centre;
- 30.6 The Licensee shall file proposed terms and conditions of any interconnection agreement, including any proposed changes or amendments thereto.
- 30.7 The Authority may within twenty- eight (28) days of the filing of the agreement under clause 31.6 declare void any term of the agreement considered to be inconsistent with the Act or any regulation. 30.8 Where the Licensee is unable to conclude an interconnection agreement with any Telecommunication Operator within three (3) months from the written request for interconnection it shall submit such agreement for determination to the Authority, with a copy to the other Operator.
- 30.9 In making its determination pursuant to clause 30.8 above, the Authority shall consider such factors that it considers necessary including terms and conditions that are—
- (a) consistent with the objectives of national ICT policy;
 - (b) not less favourable than those for any similarly licensed operator providing public telecommunication services in the Republic of Malawi; and
 - (c) based on commercial terms.
- 30.10 When requested to make its determination under clause 30.8, the Authority shall determine the terms and conditions of interconnection within thirty (30) days of receipt of the written request from the Licensee.
- 30.11 Any network interconnection agreement made pursuant to this clause shall be filed with the Authority and may be open to inspection by the public upon written request to the Authority.
- 30.12 The Licensee may at time, make a written request to the Authority to review any term(s) of the interconnection agreement. Where such request has been made, the Licensee shall supply the other party copies of the request.
- 30.13 The Licensee may refuse to interconnect with other operators if it is technically or economically not feasible to do so.
- 30.14 Where the Licensee refuses to interconnect with any other operator it shall submit to the Authority the reasons for such refusal and the Authority shall reserve the right to make an assessment of the reasons given and either uphold or overrule the decision of the licensee.

31. Network Access by Telecommunication Operators

- 31.1 The Licensee shall enter into Network Access Agreement with other Telecommunication Operators for access to its public telecommunication network.
- 31.2 The Network Access Agreement under Clause 31.1 shall be made on a non-discriminatory basis by means of the connection offered to all users in accordance with access arrangements specified in this clause.
- 31.3 The Licensee shall not impose restrictions on usage of the services acquired by a Telecommunication Operator from the Licensee under the network access agreement.
- 31.4 The Licensee shall offer any of its telecommunication services or infrastructure to any service provider at wholesale rates.
- 31.5 The Licensee shall notify the Authority of any Network Access Agreement it has entered into and file a copy of the agreement with the Authority within fifteen (15) days from the conclusion of the Agreement.

- 31.6 When requested to make a determination or to resolve a dispute under this clause, the Authority shall make such determination or resolution within sixty (60) days of receipt of the written request.
- 31.7 The Licensee may refuse to offer access of its network to any other operator if it is technically or economically not feasible to do so.
- 31.8 Where the Licensee refuses to offer access of its network to any other operator it shall submit to the Authority the reasons for such refusal and the Authority shall reserve the right to make an assessment of the reasons given and either uphold or overrule the decision of the licensee.

32. International and Domestic Roaming

- 32.1 The Licensee may provide domestic and international roaming services.
- 32.2 The Licensee shall use its best endeavors to enter into International Roaming Agreements with mobile operators in other countries.
- 32.3 The Licensee shall have the right and obligation to negotiate and enter into Domestic Roaming Agreements with any other telecommunication operator.
- 32.4 Where the Licensee provides domestic roaming services to other telecommunication operators, it shall—
 - (a) not unnecessarily or unreasonably refuse to provide domestic roaming services;
 - (b) provide domestic roaming services on costs based pricing; and
 - (c) provide services on a non-discriminatory basis.
- 32.5 The Licensee shall provide domestic roaming Services in accordance with the applicable standards of the ITU, ETSI and other international recognized bodies within (90) days of receipt of a request for such service.
- 32.6 The Licensee shall file with the Authority any Domestic Roaming Agreements it enters into with other telecommunications operators, at least thirty (30) days prior to its implementation.

33. Leased Lines

- 33.1 The Licensee shall have a right to lease lines from any other telecommunication operator on reasonable and non-discriminatory terms and conditions.
- 33.2 In the event of a dispute between the Licensee and another telecommunication operator regarding the lease of transmission capacity, either party may refer such a dispute to the Authority. Based on representations from the parties, the Authority may determine reasonable terms and conditions for resolving the dispute.
- 33.3 The Licensee shall provide Leased Line Services in accordance with the applicable standards of the ITU and other internationally recognized bodies on a non-discriminatory basis within (90) days of receipt of a request for such a service.
- 33.4 If the Licensee does not provide a Leased Line service requested by a Customer within ninety (90) days, then the Licensee shall allow that customer to connect a point-to-point transmission link for the purpose of obtaining access to public telecommunication services, subject to any conditions imposed by the Authority.

34. Anti-Competitive Conduct, Unfair Competition and Discrimination

- 34.1 The Licensee shall not engage in anti-competitive conduct which in the view of the Authority inhibits or impedes fair competition including exploiting a position of dominance such as to unreasonably gain an advantage which impedes, limits, restricts or distorts fair competition.
- 34.2 Acts of anti-competitive conduct envisaged in clause 34.1 include engaging in predatory price cutting which may be implied where:
 - (a) a service is priced at less than marginal cost for two (2) consecutive months or more;
 - (b) costs charged are likely to price competition out of the market or deter competitors from entering the market;
 - (c) the Licensee is able to recoup the full amount of the loss incurred during the period of price cutting;
 - (d) engaging in cross subsidizing where the revenues for the service are used to unfairly cross subsidize the price of other service or equipment;

- (e) engaging in unfair pricing such as to reduce or eliminate competition including fixing prices for services or equipment at a level which cannot be re-sold with a profit margin to customers.
 - (f) entering into exclusive arrangements which deny competitors access to services or equipment.
- 34.3 The Licensee, on his own or through others, shall not engage in any practice which unfairly restrict or is likely to restrict competition in the industry or which deters or restricts or is likely to deter or restrict new entrants into the market including—
- (a) asserting false or misleading claims on the availability or quality of its or competitors service or network;
 - (b) degrading the availability or quality of its or competitor's services or network or unfairly raising its business, operations or technical costs;
 - (c) unlawfully interfering with the suppliers or customers of its or competitors' network; or
 - (d) providing false information to other telecommunication operators or competitors or to any other third party.
- 34.4 The Licensee shall provide the services to any individual in Malawi including customers located in the rural and under-served areas without discrimination.
- 34.5 In the provision of the Services, the Licensee shall not discriminate against or show any preference to any other Telecommunication Operator or Service Provider and shall provide telecommunication services to Service Providers that are equal in quality, subject to the same conditions and provided within the same provisioning time intervals that the licensee provides to others including its end users.
- 34.6 Unless otherwise expressly provided for in this Licence, the Licensee shall not prohibit, prevent or frustrate the provision of a telecommunication service, or the supply of telecommunication equipment, by any person lawfully able to provide such a service or supply such equipment.
- 34.7 The Licensee shall not make it a condition of providing any telecommunication service or supplying any telecommunication equipment that the Customer should also acquire from the Licensee any other service or equipment.
- 34.8 The Licensee shall not enter into any contract with, merge with or acquire any other entity with the intention or effect of preventing, restricting or distorting competition in the provision of telecommunication services.
- 34.9 The Licensee shall comply with any other laws and Regulations which relate to fair trading or competitive behaviour.
- 34.10 Where the Authority is satisfied that there are reasonable grounds to believe that the Licensee is, alone or in concert with others, engaged in anti-competitive practices to the disadvantage of users of the Services contrary to the Act and any applicable law, it shall make a determination and impose any applicable regulatory sanctions under this licence.
- 34.11 In making a determination on anti-competitive practices under clause 34.10, the Authority shall consult the Competition and Fair Trading Commission.

35. Significant Market Power (SMP)

- 35.1 If the Authority determines that the Licensee has Significant Market Power (SMP), it shall impose additional obligations relating to anti-competitive practices in its licence to prohibit the Licensee from abusing its dominant position through anti-competitive conducts.
- 35.2 The additional obligations stipulated in clause 35.1 above shall include—
- (a) producing a Reference Interconnection Offer (RIO)
 - (b) providing mandatory interconnection on non-discriminatory and cost oriented charges
 - (c) transparency obligations on the services and tariffs provided to other operators
 - (d) separate accounting;
 - (e) prohibition against cross subsidisation
 - (f) mandatory provision of domestic roaming services subject to technical capabilities;
 - (g) any other condition imposed by the Authority in accordance with applicable laws or Regulations.
- 35.3 In determining whether or not a Licensee has significant market power and in determining additional obligations to be imposed on a Licensee found to hold significant market power, the Authority shall have recourse to applicable laws and shall consult the Competition and Fair Trading Commission.

36. Universal Service (US) Obligations

- 36.1 The Licensee shall contribute to the Universal Service Fund (USF) through levies payable under Clause 8 and in accordance with the provisions of the Universal Service (US) Regulations.
- 36.2 The Authority shall from time to time determine the percentage of the levies payable to the Universal Service Fund.

37. Customer Confidentiality

- 37.1 The Licensee shall maintain confidentiality in respect of all information provided by the customer or contents of communication conveyed on its network except in the following instances—
- (a) where the disclosure of the information is necessary for the purposes of detecting, preventing or investigating crimes in which the disclosure is requested by a person authorized by law or under an order of the court; or
 - (b) where the disclosure is made to the Authority pursuant to its monitoring powers under the Act.
- 37.2 The Licensee may only use any information under clause 37.1 above, for the following purposes—
- (a) internal planning, provisioning and billing for services;
 - (b) facilitating interconnection and inter-operability between operators; or
 - (c) any other purposes approved by the Authority
- 37.3 The Licensee shall not use any information received to unduly benefit it or any associated person or use it in a manner that is anti-competitive towards other telecommunication operators.

38. Monitoring

- 38.1 The Authority shall have the right to establish, maintain and install an electronic monitoring system using any applicable technology for the purposes of allowing off line on online data submission necessary for the monitoring and enforcing compliance by the Licensee with its obligations under the Act and any Regulations made thereunder.
- 38.2 Unless otherwise agreed by the parties, the Licensee shall within seven (7) days upon request from the Authority provide any information or data of its network that is necessary for the electronic monitoring system, in the manner and format specified by the Authority.
- 38.3 The Licensee shall facilitate, provide and maintain appropriate interface points and links between its network and the Authority's monitoring system at all times.
- 38.4 The Licensee shall connect its network with the Authority's monitoring system and comply with directions issued by the Authority.

39. Infrastructure and Facility Sharing

- 39.1 The Licensee shall comply with conditions for Infrastructure and facility sharing issued by the Authority from time to time.
- 39.2 Where the Licensee has the right to install facilities on, over or under private land or where the facilities exist with other operator, the Authority may direct the Licensee to share such facilities or property with other operators, especially where the other operator has no access to viable alternatives.
- 39.3 The licensee shall ensure that any terms and conditions for co-location or facility sharing under this clause shall be subject to—
- (a) commercial and technical agreement between the parties concerned; and
 - (b) approval of the Authority. Provided that no approval shall be required for sharing space, tower, mast, pole, duct, tunnels, manholes and power supply or any other ancillary facilities.
- 39.4 The Licensee shall whenever technically feasible and subject to a negotiated agreement, make available its infrastructure or part of it to any other Licensee unless such sharing of infrastructure or any part thereof causes or is likely to cause harmful interference with the provision of its services.
- 39.5 The pricing of infrastructure sharing applicable to parties under this clause shall be in accordance with any rules and guidelines issued by the Authority on Infrastructure Sharing.
- 39.6 The Licensee shall comply with directions of the Authority on network access and facility sharing.

39.7 The Authority may where it deems necessary, and subject to economic and technical feasibility, direct the Licensee to share facilities or infrastructure with other telecommunication operators and the Licensee shall cooperate and work with the other telecommunication operators to submit a Facility or Infrastructure Sharing Plan to the Authority.

40. Shared Platform for Value Added Services (VAS) Providers

40.1 The Licensee shall collaborate on installing a shared infrastructure with other telecommunication operators to facilitate One Stop Shop (OSS) services for all VAS providers so as to enhance easy interconnectivity.

40.2 The licensee shall provide VAS or promotions on its network subject to maintaining and guaranteeing that basic QoS targets under this Licence are met at all times.

41. Health and Environmental Concerns

41.1 The Licensee shall ensure the use of energy efficient, environmental friendly network equipment and also ensure proper safety and health hazard issues in the installation and location of their Base Stations and other locations of installations.

41.2 The Licensee shall as much as possible use green technology in its systems, and shall ensure that the technology constitutes at least 20% of its Base Stations within five (5) years from the effective date.

41.3 The Licensee shall discontinue any electromagnetic field (EMF) radiation which is found to be harmful to the environment or public health in accordance with EMF radiation Guidelines made from time to time by the Authority and other international bodies such as the International Commission on Non-Ionizing Radiation Protection (ICNIRP).

PART IV GENERAL CONDITIONS

42. Ownership

42.1 The holder of this Licence must be incorporated in Malawi.

42.2 The Licensee shall within two (2) years from the effective date ensure at least twenty (20%) local Malawian shareholding which shall be maintained throughout the period of the Licence. In the event that the Licensee fails to find local Malawian investors within two years from the effective date, the licensee shall apply to the Authority for exemption of the requirement under this Clause.

42.3 The Authority may revoke the Licence in accordance with clause 46 of this Licence where the licensee effects change of shareholding without prior approval by the Authority or fails to comply with local ownership requirements under clause 42.2.

42.4 Unless otherwise agreed by the Authority, the Licensee shall notify the Authority of any joint venture agreement it may enter with third parties to provide telecommunications services in Malawi not later than thirty (30) days before any such agreement takes effect, giving particulars of that agreement including a copy thereof.

43. Local Empowerment

43.1 The Licensee shall ensure that at least 50% of the executive management are Malawian nationals and that it shall not employ more than five percent (5%) of foreign nationals for the rest of its staff.

43.2 The Licensee shall, during the term of licence, take measures approved by the Authority to ensure participation in its management structure by local indigenous Malawians.

44. Transfer of Licence

44.1 The Licensee shall not assign or transfer this License without prior written consent of the Authority.

45. Licence Amendment

45.1 The Authority may modify or amend any term or condition of this license if it is in the public interest to do so or if it is necessary to take into account developments in the industry or for any other reason deemed necessary by the Authority.

45.2 Before amending any provision of this Licence, the Authority shall—

- (a) give notice to the Licensee and publish a notice in the Gazette stating the amendment that it proposes to make and the reasons for it, and shall give any Licensee or any person with an interest an opportunity to make representations concerning the proposed amendment; and
- (b) give due consideration to any representation made by the Licensee or any person.

45.3 The Licensee may submit a response to the proposed amendment within fifteen (15) days of the notice.

45.4 If the Licensee does not respond within the fifteen (15) day period under clause 45.3 the amendment shall take effect on the sixteenth (16th) day after the date of notice.

45.5 If the Authority receives a response from the Licensee within fifteen (15) days, it shall consider the response and notify the Licensee within thirty (30) days of the reply of its decision to either—

- (a) rescind the amendment;
- (b) modify the amendment; or
- (c) proceed with the proposed amendment in which case the amendment shall take effect on the fifteenth (15th) day after the date of the Authority's second notice.

45.6 The Licensee shall comply with all new terms and conditions issued by the Authority.

46. Revocation of Licence

46.1 The Authority may revoke the Licence on any of the following grounds—

- (a) if the Licensee is in substantial and continuing breach of any of the terms and conditions of this licence including—
 - (i) failure to achieve the Network roll-out targets;
 - (ii) failure to achieve the Quality of Service targets;
 - (iii) failure to provide performance guarantee;
 - (iv) hiding or providing false or incorrect information regarding the information necessary for renewal or any other information requested by the Authority pursuant to this Licence;
 - (v) failure to comply with lawful orders or directions issued by the Authority pursuant to powers under this Licence;
 - (vi) conducting in unfair commercial trade practices;
 - (vii) failure to pay outstanding License fees for over a period of twelve (12) months from the Effective Date or anniversary of the Effective Date; or
 - (viii) any other substantial breach of the licence.
- (b) if the Licensee has been declared insolvent; or
- (c) if the Licensee agrees in writing to cancel the Licence.

46.2 Before taking any action to impose a punishment on the Licensee under Licence, the Authority shall follow the procedure set out below—

- (a) the Authority shall notify the Licensee of the alleged breach in writing;
- (b) the Authority shall allow the Licensee not less than thirty (30) days from the date of notification in accordance with sub clause (a) above to remedy the breach or to show cause why it should not be punished; provided, however, that the Licensee may request additional time, not exceeding thirty (30) days, to remedy the breach and such request shall not be unreasonably denied by the Authority.
- (c) Having taken into account the licensee's representations, the nature, gravity and consequences of the breach, the Authority may take any action that it considers appropriate including revoking the Licence.

47. Regulatory Sanctions

47.1 Notwithstanding any criminal sanctions under the Act, the Authority reserves the right to impose regulatory sanctions for breaches of licence conditions including—

- (a) issuing of warnings;

- (b) directing the licensee to take appropriate remedial steps by issuing a compliance order;
- (c) directing the licensee to desist from non-compliance by issuing a cease and desist order;
- (d) imposing a fine proportional to the effects of the non-compliance;
- (e) revocation of the licence; or
- (f) other penalties deemed necessary.

48. Impact of Revocation of Licence

- 48.1 The revocation of the Licence for any reason shall not prejudice any other legal rights or remedies of the Authority conferred by the Act or any other law for the time being in force or by this licence.
- 48.2 The revocation of the Licence shall not relieve the Licensee from any obligations accrued and due under any law or this licence.

49. Emergency Crisis Management

- 49.1 The Licensee shall submit to the Authority for approval a Business Continuity Plan which shall include disaster recovery plan (DRP), setting out the emergency crisis management team and priorities and procedures it will apply for restoring its network in the event of a disaster or national emergency.
- 49.2 The Licensee shall from time to time review and where necessary revise its Business Continuity Plan (BCP) and in such event it shall ensure that the Authority is furnished with the most current version of the Plan.
- 49.3 The Licensee shall as soon as possible provide information for the restoration of its network.
- 49.4 The Licensee shall send or transmit early warning messages (EWM) as soon as possible to its subscribers of the relevant crisis areas as directed by the Authority.
- 49.5 The Authority may from time to time carry out practical test on the Licensees network to assess the effectiveness or functionality of its DRP and shall where necessary direct the Licensee to update or modify its DRP to take into account any observed shortfalls or challenges.

50. Exercise of Powers

In exercising any powers granted to the Authority in terms of this licence, the Authority shall—

- (a) act reasonably having regard to all surrounding circumstances;
- (b) prior to exercising any power, afford the Licensee reasonable opportunity to make representations to the Authority in respect of all relevant issues; and
- (c) at the request of the Licensee, furnish written reasons for any decision made.

51. Force Majeure

- 51.1 Any failure by the Licensee to comply with any obligation, term or condition of the Licence shall be exempted to the extent that it is caused by an event beyond the control of the Licensee, including extreme weather conditions, fire, war or civil strife.
- 51.2 The Licensee shall use reasonable endeavours to minimize the impact on its operations of any event of this nature and to remedy, if possible, the failure.
- 51.3 The Licensee shall keep the Authority informed of any problems which may be encountered, their consequences on its operations and the steps it is taking to address them.

52. Intellectual Property Rights (IPR)

- 52.1 The licensee shall not violate any Intellectual Property Rights of any person, and shall be held responsible for any violation of these rights under the relevant laws in Malawi.

53. Corporate Social Responsibility (CSR)

- 53.1 The licensee shall carry out corporate social responsibility as part of its obligations under the Licence.

54. Liability

- 54.1 The licensee shall indemnify the Authority against any losses, claims, charges or expenses, actions, damages or demands which may be made against the Authority by third parties as a result of or in relation to the activities of the Licensee, its service providers, servants, or agents in connection with the provision of the services or the construction, operation, development, extension, or the use of the network.

55. Performance Assessment

- 55.1 The Authority shall in the third (3rd), sixth (6th) and ninth (9th) years of this Licence review the performance of the Licensee against the terms and conditions of the Licence

56. Renewal

- 56.1 This Licence may be renewed for such number of years as may be determined by the Authority at the expiry of its term provided the Licensee is in compliance in all material respects with its licence provisions.
- 56.2 In deciding whether to renew the licence the Authority shall take into account the following—
- (a) the satisfactory performance by the Licensee of its obligations under the Licence
 - (b) consumers' satisfaction with the performance of the Licensee during the term of the licence
 - (c) any other factor deemed necessary by the Authority
- 56.3 The Licensee shall apply for renewal in writing not later than twelve (12) calendar months before the expiration of the term of its Licence.
- 56.4 On renewal, the Authority may amend the provisions of this Licence as necessary to take into account any changes in the industry or address any challenges experienced by the Authority and the Licensee.

57. Dispute Resolution

- 57.1 Any dispute arising out of or in relation to this Licence, shall if not settled amicably on the written request of either party be referred to arbitration in accordance with the Arbitration Act and the seat of arbitration shall be Blantyre, Malawi.
- 57.2 This clause shall not preclude the parties from seeking provisional remedies in aid of arbitration from a court of competent jurisdiction.

58. Miscellaneous

- 58.1 The Licensee shall comply with all terms and conditions of this Licence, applicable laws and Regulations issued by the Authority from time to time.
- 58.2 The Licensee shall observe the requirements of any applicable international conventions on telecommunications to the extent that such a convention imposes obligations on Malawi unless otherwise expressly exempted by the Authority.
- 58.3 The Authority or any Government department shall not be liable for any loss, damage, claim, charge or expense which may be incurred as a result of or in relation to the activities of the Licensee, its employees, agents, or authorized representatives.
- 58.4 Unless otherwise agreed by the parties, all correspondences from the Authority shall be in writing and shall be sent to the Licensee's principal place of business.
- 58.5 All directions issued by the Authority shall remain private and confidential and the Licensee shall not disclose the same without prior consent of the Authority.
- 58.6 Nothing in the provisions of this Licence shall be deemed to have been waived by any act of or acquiescence on the part of the Authority, unless the same is issued in writing by the Authority.
- 58.7 A waiver of any provision of this licence shall not be construed as a waiver of any other provision or the same provision on another occasion.

Signed on this 24th day of April 2015.

ANDREW KUMBATIRA
Director General

LISA MAKAWA
Chairperson

SCHEDULE 1 – RADIO LICENCE FEES SCHEDULE
TERRESTIAL SERVICES (FEES SCHEDULE)

No.	Type	Basis	Assignment Fee (Usd)	Annual Fee (Usd)	Amendment Fee (Usd)
1.	HF Voice Data	Frequency	534	267	133
2.	SW Sound Broadcasting	Apparatus	534	267	133
3.	MW Sound Broadcasting	Apparatus	534	267	133
4.	VHF/UHF PMR Fixed Station	Apparatus	356	178	89
5.	VHF/UHF Centralized Radio Alarm System	System	534	267	133
6.	VHF/UHF PMR Vehicle Mobile Station	Apparatus	178	89	44
7.	VHF/UHF PMR Handheld	Apparatus	89	44	22
8.	VHF/UHF Private Trunking System	Apparatus	178	89	44
9.	UHF PAMR Trunking Network	Frequency	890	445	222
10.	VHF/UHF Radiotelephone Link	Frequency	890	445	222
11.	FM Sound Broadcasting Mono	Apparatus	356	178	89
12.	FM Sound Broadcasting Stereo	Apparatus	712	356	178
13.	Public Paging	Frequency	356	178	89
14.	Private Paging	Apparatus	178	89	44
15.	VHF/UHF Television	Apparatus	1780	890	445
16.	Cellular (GSM) Channel Pair (200 KHz)	Frequency	4000	4000	445
17.	Amateur	Apparatus	41	20	15
18.	Microwave Radio Link Tx	Frequency	356	178	89
19.	Wireless Local Loop (25 KHz)	Frequency	534	267	133
20.	Spread Spectrum	System	356	178	89
21.	Aeronautical HF	Apparatus	534	267	133
22.	Aeronautical VHF/UHF	Apparatus	178	89	44
23.	Maritime	Apparatus	178	89	44
24.	Cordless Telephone	Apparatus	41	20	15
25.	Citizen Band	Apparatus	41	20	15
26.	VSAT (Corporate)	Apparatus	5000	2500	200
27.	VSAT (SOHO)	Apparatus	500	250	20
28.	Broadband General Bands (1 MHz)	Frequency	1000	1000	100
29.	CDMA Bands (10 MHz paired)	Frequency	200,000	200,000	2500
30.	3G / UMTS / WCDMA Bands (5 MHz paired)	Frequency	250,000	250,000	2500
31.	Mobile Broadband (4G) Bands (1 MHz)	Frequency	60, 000	60, 000	600
32.	Broadband 1800 MHz Band	Frequency	2000	2000	200

CONDITIONS FOR USE

1. The Authority shall allocate spectrum subject to full payment of the applicable radio (spectrum) licence fees by the Licensee.
2. The spectrum Fees shall be non refundable once the requisite spectrum has been assigned.
3. A radio license issued by the Authority shall be valid for a period of one (1) year and shall be due for renewal on or before the anniversary date of the licence.
4. A licensee shall make a written application for renewal of its radio licence one month before the expiry of its radio licence.
5. The Authority shall renew a spectrum licence subject to technical verification of appropriate spectrum utilization during its licence year.
6. Any radio licence shall automatically be revoked if the licensee does not put the licensed spectrum to use within the licence period.
7. The Authority reserves the right not to renew any radio (spectrum) licence if the licensee is in breach of any licence condition.
8. Failure by a licensee to pay the appropriate spectrum fees constitutes an offence entitling the Authority to withdraw the assigned spectrum from the licensee.
9. The Authority reserves the right to review spectrum fees as and when necessary subject to applicable Regulations.
10. A radio licence issued by the Authority shall confer on the Licensee rights of use as opposed to proprietary rights and the Authority may re allocate or reassign the frequencies in line with the Act and applicable Regulations and in conformity with International standards.
11. A Spectrum licensee or user shall not use any frequencies other than those assigned or for the purposes assigned to them by the Authority, and any contravention of this provision shall be an offence entitling the Authority to take any appropriate action deemed necessary under the Act or appropriate Regulations.
12. The Authority shall in addition to any other appropriate regulatory sanction under the Act or appropriate Regulations, require any person found guilty of any illegal usage of a radio license or radio frequencies to pay a monetary penalty of 300% of the normal annual applicable fees per frequency unit.

SCHEDULE 2 — TARGETS (SERVICE QUALITY & COVERAGE)

Table S2A — Service Quality Targets.

Table S2B — Coverage Targets.

TABLE S2A – SERVICE QUALITY							
Phase	Implementation Target	Coverage Targets					Penalty
		(Received Signal Strength (Rxlev))			Received Signal Quality (Rxqual)	QoS Targets	
		Indoor	Outdoor	In Car			
Phase One Effective Date + 12 months	Greater Urban areas of Blantyre, Lilongwe, Mzuzu & Zomba, plus feeder roads up to 25 Km from each city centre	≥-75.6dBm	≥-93.26dBm	≥-77.6dBm	0<5	90% of the coverage area	\$100000 or proportion thereof in relation to number of places unserved
Phase Two Effective Date + 24 Months	Mulanje, Thyolo, Chikhwawa, Balaka, Mwanza, Mangochi, Ntcheu, Dedza, Kasungu, Salima, Rumphu, Karonga, Mzimba Nchalo, Makwasa, Chitakale, Luchenza, Namadzi, Liwonde, Ntaja, Ulongwe, Nkopola, Monkey Bay, Kamphata, Nathenje, Mvera	≥-75.6dBm	≥-93.26dBm	≥-77.6dBm	0<5	90% of the coverage area	\$100000 or proportion thereof in relation to number of places unserved
Phase Three Effective Date + 36 Months	Nsanje, Chiradzulu, Machinga, Phalombe, Mchinji, Nkhotakota, Dowa, Ntchisi, Chitipa, Nkhata-Bay Ngabu, Muloza, Chimwala, Makanjila, Zalewa/Mwanza T/O, Manjawila, Lizulu, Linthipe, Namitete, Mponela, Dwangwa, Chintheche, Vizara, Likoma Island, Mzokoto, Livingstonia, Chiweta, Nyungwe	≥-75.6dBm	≥-93.26dBm	≥-77.6dBm	0<5	90% of the coverage area	\$100000 or proportion thereof in relation to number of places unserved
Phase Four Effective Date + 60 Months	A minimum of 10 Km either side of the M1, M2, M3,M5 M12 trunk roads	≥-75.6dBm	≥-93.26dBm	≥-77.6dBm	0<5	90% of the coverage area	\$100000 or proportion thereof in relation to number of places unserved

TABLE S2B — GEOGRAPHIC COVERAGE

Phase	Implementation Target	Penalty
Phase One		
Effective Date + 12 Months	Mwenewenya - Karonga Ruarwe - Rumphi Dzaone - Zomba Kameme - Chitipa Matope - Balaka Njerenje - Balaka Chigwaja - Blantyre Maliya - Blantyre Pensulo - Blantyre	\$100000 or proportion thereof in relation to number of places unserved
Phase Two		
Effective Date + 24 Months	Padzuwa - Blantyre Chilombo - Zomba Ulumba - Zomba Misomali - Balaka Ligowe - Ntcheu Kawaliza - Mwanza Thaboni - Thyolo Thukuta - Thyolo Nambazu - Phalombe	\$100000 or proportion thereof in relation to number of places unserved
Phase Three		
Effective Date + 36 Months	Mlolo Sono - Chikhwawa Sitolo - Mulanje Namanja - Mulanje Nkhulambe - Phalombe Bamba - Machinga Mphonde - Phalombe Chinyama - Mulanje Mpinda - Phalombe Mpala - Mulanje	\$100000 or proportion thereof in relation to number of places unserved
Phase Four		
Effective Date + 60 Months	Chimwanjale - Mwanza Chitawo - Chiradzulu Chiswang'oma - Phalombe Chambe - Mulanje January - Thyolo Njerenje - Balaka Nyanyika - Machinga Chiunda - Machinga Kadewere - Machinga Sitolo - Mulanje Mkwepele - Machinga	\$100000 or proportion thereof in relation to number of places unserved

SCHEDULE 3 - QUALITY OF SERVICE PARAMETERS FOR CELLULAR MOBILE TELEPHONE SERVICES

The Licensee is required to meet the Quality of Service Targets set out in Table S3A/B/C of this Schedule. Performance relative to the Quality of Service Targets shall be measured for the final measurement period in the relevant financial year.

The Licensee shall notify MACRA whenever it is unable to comply with the quality of service standards specified in Table S3A giving reasons thereof.

In this Schedule, the following terms shall mean—

“Call Set up Success Rate (CSSR)”

Call Setup Success Rate is defined as the ratio of established calls to call attempts. Established Calls means the following events have happened in call setup—

- (i) Attempt is made;
- (ii) The Traffic Channel (TCH) is allocated; and
- (iii) The call is routed to the outwards path of the concern Master Station Controller (MSC).

“Blocked Call Rate”

Blocked call means a call that is not connected because there is no free channel to serve a call attempt. Numbers of blocked calls are those times where there is no free channel to serve a call attempt. Hence this parameter represents congestion in the network. The congestion may be at Stand –alone Dedicated Control Channel (SDCCH) level or Traffic Channel (TCH) level.

“Service Coverage”

This parameter will be measured through drive test on a sample basis for assessing the network coverage in cities where the service of the operator is available.

“Voice quality”

The quality of voice in cellular mobile telecommunication services (GSM) is measured on a scale from 0 to 7. As the quality deteriorates, this value increases. The quality of the voice is considered to be good, if this value remains between 0 and 4. However, this value may be between 0 to 5 for the network where frequency hopping phenomenon is used.

“Call Drop Rate”

It is defined as ratio of calls lost after establishment to all established calls. This shall include calls dropped due to failure of handover, radio loss and network congestion.

For each financial year, starting with the financial year which commences after the Effective Date, a monetary penalty shall be payable for each Quality of Service Target missed. The amount payable shall be calculated as given in Table S3D.

TABLE S3A — VOICE / DATA QOS PARAMETERS

No.	QoS Parameter Name	Measurement Method	Target Value			Average period to be reported
			2G	CDMA	3G	
Service Provisioning						
1	Order Completion Time	Maximum waiting time for connection of service (Days)	2	2	2	Monthly
Service Support						
1	Call Centre Answer Time	Percentage of calls answered electronically within 5 seconds	95	95	95	Monthly
		Percentage of calls answered by attendant (voice to voice) within 30 seconds	85	85	85	Monthly
		Percentage of calls answered by attendant (voice to voice) within 60 seconds	95	95	95	Monthly
		Availability	24/7	24/7	24/7	Monthly
		Time taken to be attended to by customer care agent after answer (sec)	30	30	30	Monthly
2	Complaint Resolution Time	Percentage of complaints resolved within 1 week	98	98	98	Monthly
Connection Establishment						
1	Call Set up time	Mean value (in seconds) for all calls setup	10	10	N/A	Monthly
2	Successful Call Ratio (CSSR)	Percentage of all successful calls	98	98	N/A	Monthly
3	Dropped Call Ratio	Percentage of all calls dropped	2	2	N/A	Monthly
Information Transfer						
1	SMS Delivery Time	Time in seconds within which SMS is delivered end to end;	5	5	5	Monthly
2	MMS Delivery Time	MMS delivery time (seconds)	N/A	N/A	15	Monthly
3	Successful SMS /MMS Ratio	Percentage of SMS and MMS successfully delivered	95	95	95	Monthly
4	Listening Voice Quality	Mean Opinion Score (MOS)	3	3	3	Monthly
Billing						
	Billing Complaint Rate	Percentage of Billing complaints per 100 bills issued	<0.1	<0.1	<0.1	Monthly
		Billing Frequency (Days)	30	30	30	Monthly
Network Service						
1	Network Availability of switching (MSC)	Time MSC Network is available to the consumer per reporting period (percentage)	99.99	99.99	N/A	Monthly
2	Network Availability of Radio Access	Time Radio subsystem/Access network is available to the consumer per reporting period (percentage)	99.8	99.8	N/A	Monthly
3	Radio Coverage collected	Received Signal Strength (RxLv) (Indoor > -75.6dbm). Percentage of samples	90	90	90	Quarterly

No.	QoS Parameter Name	Measurement Method	Target Value			Average period to be reported
			2G	CDMA	3G	
4	Radio Quality	Received Signal Quality (RxQual) (Good RxQual Range: 0<5)	90	90	90	Quarterly
5	Call Block Rate	TCH Congestion (percentage)	2	2	N/A	Monthly
		SDCCH Congestion (percentage)	0.5	N/A	N/A	Monthly
6	IN Platform Availability	Time IN platform is available to the consumers per reporting period (percentage)	99.999	99.999	N/A	Monthly
7	Handover Success Rate	measures the ability of a customer to talk on the cell phone for a long distance without getting disconnected (Percentage)	95	95	N/A	Monthly
8	GPRS Context Activation Rate	measure of data related services that were successfully accessed by customers	95	95	N/A	Monthly
9	Trunk Congestion	measure of traffic congestion between Mobile Switching Center (MSC) and the various routes like interconnection to other network operators	2	2	N/A	Monthly
10	EVDO Context Activation Success Rate	Measures EVDO Context Activation failure beyond which the grade of service declines.	N/A	95	N/A	Monthly
11	1X Packet Call Set Up success Rate	Measure Success Rate for data calls.	N/A	95	N/A	Monthly
3G Network Service						
	Call Drop Ratio					
1	HSDPA and HSUPA Service Drop Rate	HSDPA and HSUPA Service Drop Rate as Percentage	N/A	N/A	<0.5%	Monthly
2	Packet Switched (PS) Service Drop Rate	PS service drop Rate as Percentage	N/A	N/A	<1%	Monthly
3	Video Call Drop Rate	Percentage of dropped video calls	N/A	N/A	<1%	Monthly
4	Voice Call Drop Rate	Percentage of dropped voice calls	N/A	N/A	<1%	Monthly
	Access					
1	RRC Connection Set-up Success Rate	RRC Connection Set-up Success Rate as percentage	N/A	N/A	>98%	Monthly
2	Video Call RAB assignment Success Rate	Video Call RAB assignment Success Rate as percentage	N/A	N/A	>98%	Monthly
3	PS RAB Assignment Success Rate	PS RAB Assignment Success Rate as percentage	N/A	N/A	>98%	Monthly
4	HSDPA and HSUPA RAB Set-up Success Rate	HSDPA and HSUPA RAB Set-up Success Rate as percentage	N/A	N/A	>98%	Monthly
Handover						
1	Soft Handover Failure Rate	Soft Handover Failure Rate (percentage)	N/A	N/A	<0.5%	Monthly
2	HSDPA Serving Cell Change Success Rate	HSDPA Serving Cell Change Success Rate (percentage)	N/A	N/A	>99.9%	Monthly
3	Inter-frequency Hard Handover Success Rate	Inter-frequency Hard Handover Success Rate (percentage)	N/A	N/A	>95%	Monthly
4	3G to 2G (from UTRAN to GSM) Inter-RAT Handover Failure Rate	3G to 2G (from UTRAN to GSM) Inter-RAT Handover Failure Rate (percentage)	N/A	N/A	<3%	Monthly
Availability						
1	RAN Availability	Time RAN is available (percentage)	N/A	N/A	>99.8%	Monthly

TABLE S3B — INTERNET SERVICES PARAMETERS

No.	QoS Parameter Name	Measurement Method	Target Value	Average period to be reported
Service Provisioning				
1	Order Completion Time	Time elapsed (Days) after application and before activation of service for		
		Dial up/ Wired services	5	Monthly
		Fixed Wireless	2	Monthly
		Percentage installations completed by the date agreed with the customer;	99	Monthly
		Time elapsed after application for service alteration involving software	1	Monthly
		Time elapsed after application for service alteration involving Hardware	5	Monthly
Service Support				
1	Complaint Resolution	Percentage of complaints resolved within 1 week	98	Monthly
Fault Repair				
1	Fault Repair Time	Time taken to repair 80% of faults (Hrs)	24	Monthly
		Mean Time to Repair (Hrs)	12	Monthly
Billing				
1	Billing Complaint Rate	Billing Complaints per 100 bills issued	<2%	Monthly
2	Billing Complaint Resolution	Percentage of Billing complaints resolved	100% within 4 weeks	Monthly
Connection Establishment				
1	Successful Log-ins	Percentage of successful log-ins to access the internet when both the access network and the Internet Access point (IAP) network are available in full working order.	Dial up users >90% Other users >98%	Monthly
Information Transfer				
1	Network Latency	Time in milliseconds that is needed for an ICMP Echo Request/ Reply (Ping) to a valid IP address. Measurement provided as the mean value of the delay (in ms) (ETSI EG 202 057-4) For international network latency, the measurement is carried by sending a PING packet from the test point to the first international point of presence. (ITU-T Rec. Y.1541).	National 100ms International 300ms	Monthly

No.	QoS Parameter Name	Measurement Method	Target Value	Average period to be reported
2	Data Transmission Speed Achieved (Data transmission rate achieved for downloading and uploading specified test files between service provider's network and customer premises)	Maximum data transmission rate in Kbit/s achieved; Minimum data transmission rate in Kbit/s achieved; -mean value and standard deviation of the transmission rate in Kbit/s achieved; (ETSI EG 202 057-4)	$\geq 80\%$ of that advertised by the service provider.	Monthly
3	Unsuccessful Data Transmission Ratio	The ratio of unsuccessful data transmissions to the total number of data transmission attempts in a specified time period. A data transmission is successful if a test file is transmitted completely and with no errors. (ETSI EG 202 057-4)	$< 1\%$ or 10^{-3}	Monthly
	Packet Loss			
1	Loss Ratio	Ratio of packets lost to the total packets transmitted between two designated points for each class of service (ITU-T Rec. Y.1541).	$< 1\%$ or 10^{-3}	Monthly
	Network Service Management			
1	Service Availability	Percentage Uptime of the network	99	Monthly

TABLE S3C — CUSTOMER PERCEPTION PARAMETERS
Customer perception parameters apply to PSTN, PLMN and Internet

No.	QoS Parameter Name	Measurement Method	Target Value	Average period to be reported
1	Provision of service	% satisfied with the provision of service	>90	Quarterly
2	Billing performance	% satisfied with the billing performance	>90	Quarterly
3	Help services	% satisfied with the help services	>90	Quarterly
4	Network Performance availability	% satisfied with the amount of time during which network resources are available	>90	Quarterly
5	Network performance Reliability	% satisfied the degree to which the delivery of the service is assured	>90	Quarterly
6	Overall customer satisfaction	Overall customer satisfaction	>90	Quarterly

DEFINITIONS/DESCRIPTIONS

2G	-	Second Generation
3G	-	Third Generation
PLMN	-	Public Land Mobile Network
PSTN	-	Public Switched Telephone Network
AS	-	Active Set
CDR	-	Call Drop Rate
CSSR	-	Call Set-up Success Rate
GPRS	-	General Packet Radio Service
GSM	-	Global System for Mobile Communications
HSDPA	-	High Speed Downlink Packet Access
HSUPA	-	High Speed Uplink packet Access
IN	-	Intelligent Network
MOS	-	Mean Opinion Score
MSC	-	Mobile Switching Centre
Node B	-	Node B is a term used in UMTS equivalent to a BTS in GSM.
PDP	-	Packet Data Protocol
POI	-	Point of Interface / Interconnection
PS	-	Packet Switched
RAB	-	Radio Access Bearer
RAN	-	Radio Access Network
RAT	-	Radio Access Technology
RNC	-	Radio Network Controller
RRC	-	Radio Resource Control
SDCCH	-	Stand-alone Dedicated Control Channel
SMS	-	Short Message Service
TCH	-	Traffic Channel
UE	-	User Equipment
UMTS	-	Universal Mobile Telecommunications System
UTRAN	-	UMTS Terrestrial Radio Network Access Network

DESCRIPTIONS

Urban Area

Urban area shall include the following cities Blantyre, Lilongwe, Mzuzu and Zomba

Peri- Urban Area

Peri-Urban Areas shall include the following towns; Balaka, Dedza, Liwonde, Mangochi, Luchenza, Karonga, Salima and Kasungu

Rural Area

Rural Areas shall include any area other than Urban and Peri-Urban Area

Order completion time/Service supply time

The duration from the instant a valid service order being received by a direct service provider to the instant a working service is made available for use. This includes cases where a new access is installed; an existing access line is taken over by another customer; an upgrade on the existing line. This however excludes cancelled orders and cases where a customer changes operator and the new operator, who is responsible for reporting supply time uses an unbundled local loop as the access line.

Call Centre Answer Time

The parameter is designed to ascertain the quality of experience of customers as well as assess performance operator services the duration from the instant when the address information required for setting up a call is received by the network (e.g. Recognized on the calling user's access line) to the instant the human operator answers the calling user to provide the service requested. The period in this definition includes waiting times and times for going through voice response systems to reach the operator. Services provided wholly automatically, e.g. by voice response systems as well as emergency services are excluded

Complaint Resolution Time

Time taken for a service provider to resolve a complaint.

Call set-up time

The call set-up time is the period starting when the address information required for setting up a call is received by the network (e.g. recognized on the calling user's access line) and finishing when the called party busy tone or ringing tone or answer signal is received by the calling party. Where overlap signaling is used the measurement may start when sufficient address information has been received to allow the network to begin routing. Unsuccessful calls are excluded.

Unsuccessful Call Ratio

Unsuccessful call ratio is defined as the ratio of unsuccessful calls to the total number of call attempts in a specified time period. An unsuccessful call is call attempt to a valid number, properly dialed following dial tone, where neither called party busy tone, nor ringing tone, nor answer signal is recognized on the access line of the calling user within 30 seconds from the instant when the address information required for setting up a call is received by the network.

Call Drop Rate (CDR)

A dropped call is a call that is prematurely terminated before being released normally by either the caller or called party. CDR is therefore defined as the ratio of calls lost after establishment to all established calls. This shall include calls dropped due to failure of handover, radio loss and network congestion.

SMS/MMS Delivery Time

It is the period starting when sending an SMS/MMS from a terminal equipment to an SMSC and finishing when receiving the very same SMS/MMS on another terminal equipment. Time in seconds within which SMS/MMS is delivered end to end

Successful SMS/MMS ratio

The proportion of text messages that are transmitted successfully. A successful message transmission is a message transmission to a valid telephone number, properly dialed from a location where the service is offered by the operator to a location where the service is offered by the same or a different operator, in which the message is transmitted completely without errors between the network termination points, irrespective of whether the receiving network termination point is connected to its network when the message reaches its network.

Fault Rate per Access Line

A fault report is a report of disrupted service or degraded service that is made by a customer and is attributable to the network of the service provider or any interconnected public network, and that is not found to be invalid. Faults in any equipment on the customer side of the network termination point are excluded.

Fault Repair Time

The duration of the instant a fault has been notified by the customer to the published point of contact of the service provider to the instant when the service element or service has been restored to the normal working order. This applies only to services that offer the “standard repair” times to customers and exclude cases where higher maintenance fees or lower fees are applicable for either higher or lower repair levels respectively

Customer reported Faults

The number of valid fault reports received by an operator per customer per reporting period. A fault report is a report of disrupted or degraded service that a customer submits to the point of contact of the service provider. A fault report may be submitted by telephone or by personal contact at a customer service centre. Faults that are due to other networks or to customer equipment behind network termination points and faults that are attributable to the core network or other networks are excluded. Faults reported for single physical connections should be counted as a single fault, regardless of the number of channels activated or affected; multiple lines sharing the same physical path to a customer should be regarded as a single physical connection.

Listening Voice Quality

The quality of voice calls produced in a conversation and assessed by the listening party during speech connection in a network.

The criteria used depends on the total assessment by the evaluation group and not necessarily using engineering methods in this manner but speech quality by experience (QOE) and applying the score method over a period of intervals.

Billing Complaint Rate

The proportion of bills resulting in a customer complaint about the correctness of a given bill. The number of account/bill complaints received during the reporting period should be divided by the total number of bills issued during the same period. The result should be provided as a measurement. Also, separate numbers might be provided as measurements for particular classes of account complaint.

Network Availability –Switching (MSC)

Is the ratio of the time MSC and other platforms in the core network have been operative to the total time of measurement period.

The measurement must be made via an automatic data collection system, based on the fault management system of the network that register the appropriate information (alarms and events with the time stamp when a cell is out of service and when it becomes operative again)

Network Availability - Radio Access Network (RAN)

Is the ratio of the time that all the cells of the system have been operative to the total time of measurement period for all the cells in the system. The measurement must be made via an automatic data collection system, based on the fault management system of the network that register the appropriate information (alarms and events with the time stamp when a cell is out of service and when it becomes operative again)

Radio Coverage (RxLev)

Is the ratio between the number of measurements of the received signal power level whose Rxlev value is greater than -75.6 dBm and the total number of coverage measurements in the service area. The measurement scale for this parameter varies from -110dBm (weakest) to -47dBm (strongest). This parameter must be measured using drive test tools.

Radio Quality (RxQual)

Is the ratio between the number of measurements of the received signal quality whose RxQual value is less than 5 and the total number of coverage measurements in the service area.

The metric RxQual measures the quality of the radio link when a subscriber is in active mode, i.e. with an on-going call. This is done through the assessment of bit error rate (BER) on the radio link. RxQual measurements range from 0 (good quality) to 7 (poor quality) and estimates the BER according to pre-defined conversion table. This parameter must be measured using drive test tools.

Call Block rate

Percentage number of calls that are blocked after call setup, due to a lack of network & radio resources (end to end blocking).

- (i) This quality indicator may be measured either by drive test surveys or by real traffic
- (ii) This is the percentage congestion of the TCH measured at the busy hour and is given by—

$$\frac{(\text{Busy Hour TCH Traffic (Erlang)} - \text{Average TCH Traffic (Erlang)}) \times 100}{(\text{dxBusy Hour TCH Traffic (Erlang)})}$$

TCH Congestion

This KPI measures the relative ease with which a Traffic Channel (TCH) can be seized to set up a call. The higher the value, the relative difficulty in making a call. It is the condition of a network where the immediate establishment of a new connection is impossible owing to the unavailability of network element due to unusually high traffic that may accumulate in any node of network.

POI / Trunk Congestion

This KPI measures the ease with which a customer of one network is able to communicate with a customer of another network. This parameter also reflects as to how effective is the interconnection between the two networks. POI reflects the points lying on the route interconnecting two telecommunications networks.

Handover Success Rate

This is the ratio of the number of successfully completed handovers to the total number of initiated handovers. This ratio can be expressed as a percentage. This Key Performance Indicator (Handover Success Rate) measures the ability of a customer to talk on the cell phone for a long distance without getting disconnected. It is the ability of a call connection to be handed over from one cell to another without losing the connection. This Key Performance Indicator is directly linked to Call drop rate because a handover failure normally results into a dropped call.

GPRS Context Activation Success Rate

GPRS context activation Success rate is a measure of data related services that were successfully accessed by customers. One typical example of data related service is the Internet

EVDO Context Activation Success Rate

EV-DO originally stood for "Evolution, Data-Only", but recently is also referred to as "Evolution, Data Optimized. EVDO is a CDMA standard for wireless internet broadband service using the cellular approach. EVDO optimizes internet bandwidth usage on the network by breaking data into packets and then sending these packets independent of each other just like internet protocol (IP).

1X Packet Call Setup Success Rate

1X PACKET CSSR is basically the Setup Success Rate for data calls

IN Platform Availability

IN platform availability is the time in minutes per month where the Intelligent Network Platform is up and running. When the IN platform is out of service customers cannot be correctly billed. The Intelligent Network (IN) is a network architecture intended for fixed as well as mobile telecom networks, which allows operators to provide value-added services.

Packet Switched (PS) Service Drop Rate

This KPI is used to evaluate the call drop rate of all PS service in one RNC. The call drops happened due to RNC abnormal release triggered by RAB release request messages. Session drop rate can be defined as the number of successful PDP deactivations against number of successful PDP activations.

Call Drop Rate (Voice, Circuit Switched)

A dropped call occurs. The call will be dropped in case RRC connection release (not normal release) message has been sent from RNC to UE.

Circuit Switched Call Drop Rate refers to CDR for all Circuit Switched services while Packet Switched Call Drop rate refers to CDR for all Packet Switched services.

Accessibility

This KPI refers to the ability to get in contact with the network. Accessibility is defined as the ability to set up a connection. This ranges from random access to channel assignment.

Radio Access Bearer (RAB)

This KPI refers to the logical entity which carries data depending on service. This is equivalent to the Traffic Channel (TCH) in the 2G network. RAB is the set up between the core and UE.

RRC Connection Set-up

This KPI refers to the message used by the network to accept the establishment of an RRC connection for an UE, including assignment of signaling link information, transport channel information and optionally physical channel information.

RRC Connection Set-up Success Rate

This KPI refers to the total number of successful RRC connection requests.

Packet Switch RAB Assignment Success Rate

This KPI is used to evaluate the RAB setup success ratio of all PS service in one RNC.

Handover

Handover is as important for UMTS as any other form of cellular telecommunications system. Any failures within the UMTS handover procedure will lead to dropped calls which will in turn result in user dissatisfaction and ultimately it may lead to users changing networks, thereby increasing the churn rate.

Soft Handover Failure Rate

This KPI is used to evaluate the soft handover success ratio in one RNC, which includes softer handover. This form of handover is a more gradual and the UE communicates simultaneously with more than one Node B or base station during the handover process.

HSDPA Serving Cell Change Success Rate

This is the change of a UE from a serving cell to a better cell. Every UE measures the E_c/I_o (difference between the strength of the signal and the noise floor) of their neighboring cells. The cells with the strongest pilot signals are in the UE's active set. HSDPA connection is always to one of the cells in the AS, which is the serving HSDPA cell. Change of HSDPA serving cell occurs when $\text{Candidate } E_c/I_o > \text{Serving } E_c/I_o\text{-HO Threshold}$

Inter-frequency Hard Handover

This KPI is used to evaluate the inter-frequency hard handover success ratio in one RNC. This form of handover is essentially the same as that used for 2G networks where one link is broken and another established.

3G to 2G (from UTRAN to GSM) Inter-RAT Handover Failure

This KPI is used to evaluate inter-RAT Handover success ratio in one RNC. This form of handover occurs when mobiles have to change between Radio Access Technologies.

RAN Availability

This is the Radio Access Network availability of UMTS network (3G Network Radio Availability).

TABLE S3D — PENALTIES

#	Number of Service Targets Missed	Margin Failure $\leq 5\%$	Margin Failure And $<10\%$ $>5\%$	Margin Failure $\geq 10\%$
1	1	USD 2,500	USD 5,000	USD 10,000
2	2 to 3	USD 10,000	USD 15,000	USD 20,000
3	4 to 5	USD 20,000	USD 25,000	USD 30,000
4	≥ 6	USD 30,000	USD 35,000	USD 40,000