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MACRA—Notice of Fixed Public Telecommunications Services

321-329

GENERAL NOTICE No. 53

Reference: TEL-2015-001-FPTS-IG



Licence No. 00001

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

INDIVIDUAL LICENCE

for the provision of

FIXED PUBLIC TELECOMMUNICATIONS SERVICES

of:

LaCell Private Limited

P.O. Box 5469

Limbe

Malawi

The Malawi Communications Regulatory Authority ("MACRA"), in accordance with sections 17 and 20 of the Communications Act, Cap.68:01 of the Laws of Malawi (the "Act") hereby issues this Licence to:

LA CELL PRIVATE LIMITED (the Licensee)

Company Registration No. 9137 duly incorporated under the Companies Act, Cap. 46.03 of the Laws of Malawi, for the purpose of providing public telecommunication services of the following description:

International Connection Services and for this purpose to set up, own, maintain and operate an International Gateway and to connect its International Gateway to the networks of other Licensed Operators in the Republic of Malawi and of Authorised Foreign Operators.

For the avoidance of doubt, the Licensee may not retail any Voice Telephony Service to the Public.

This Licence is issued in accordance with section 18 of the Act, and is valid for a period of ten (10) years from the date on which this Licence is published in the Malawi Government Gazette (the "Effective Date") and is issued subject to the provisions of the Act, any regulations made thereunder and the terms and conditions of and attached to this Licence.

The Licence Fees payable by the Licensee to MACRA shall be the telecommunications licence fee of fifty thousand US dollars (US\$50,000.00) for the first year and thereafter thirty thousand US dollars (US\$30,000.00) on each anniversary of the Effective Date for so long as this Licence remains in force.

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

Fixed Public Telecommunications Services (LaCell Private Limited)

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TERMS AND CONDITIONS OF THE LICENCE

In accordance with section 18 of the Act, the Authority grants this Licence to La Cell Private Limited ("the Licensee") to provide International Connection Services 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.

1. Interpretation

- 1.1 This document constitutes the Licence in its entirety;
- 1.2 In this Licence, unless otherwise stated, words and terms used shall have the same meaning as defined in the Act and regulations made thereunder;
- 1.3 Technical terminology used in this Licence shall have the same meaning as that ascribed to the terminology by the International Telecommunication Union (ITU);
- 1.4 The definitions given in this section shall apply in the interpretation of this Licence and of its Schedules;
- 1.5 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 association of persons and vice versa and words denoting the masculine gender shall include the feminine gender and vice versa;
- 1.6 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;
- 1.7 The use of headings and divisions into clauses is for convenience of reference only and shall not affect the construction or interpretation of this Licence;
- 1.8 A provision conferring right and obligations shall, notwithstanding that it is only in the interpretation clause, be given effect as if it were a substantive clause in the Licence;

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;
- "Arbitration Act" means the Arbitration Act, Cap.6:03 of the Laws of Malaw;
- "Authority" or "MACRA" means the Malawi Communications Regulatory Authority or any such successor organisation or entity;
- "Authorised Foreign Operator" means any person duly authorised under applicable law to operate a telecommunication network or provide telecommunication service in another country;
- "Code of Practice" means any guidelines relating to the provisions of the telecommunication services or the operation of telecommunication networks that—
 - (a) are applicable to all operators or to a specified class of operators; and
 - (b) have been published by MACRA after a consultative procedure involving Licensed Operators and any other person to whose telecommunication activities the guidelines are to apply;
- "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;
- "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 Connection Service" means the transport of any communications—
 - (a) originating in any public telecommunication network in Malawi and terminating outside of Malawi; and
 - (b) originating outside Malawi and terminating in any public telecommunication network in Malawi;
- "International Gateway" means fixed telecommunication transmission lines, exchanges and associated equipment including without limitation satellite earth stations and VSAT's used for the purpose of providing International Connection Services;
- "International Gateway Operator" means any Telecommunication Operator in the Republic of Malawi who is_____
 - (a) authorised to connect directly to networks in other countries authorised to provide telecommunication services; and
 - (b) authorised to provide International Connection Services;

"ITU" means the International Telecommunication Union;

"Leased Line Service" means a telecommunication service which consists of the provision of dedicated point to point circuit between a particular point and another such point leased from any telecommunication operator for the purpose of carrying telecommunications traffic;

"Licensed Operator" means a person authorised to provide public telecommunication services under an individual licence issued under the Act:

"Public Pay Phone" means equipment (including any booth, hood, shelter or similar structure in which in which that equipment may be installed) by means of which Public Pay Phone Services are made available to the public, and which contains a device to accept payment for those services.

"Public Pay Phone Service" means-

- (a) the installation, repair and maintenance of Public Pay Phones;
- (b) the conveyance of voice messages in real time to and from Public Pay Phones;
- (c) the provision of Directory Information Services at Public Pay Phones; and
- (d) the provision of Public Emergency Call Services at Public Pay Phones.

together with the installation, bringing into service, maintenance and repair of that part of the public telephone network which is provided, maintained and operated by the Licensee for the purposes of providing the relevant telecommunication service;

"Regulation" means any regulation made under sections 32 and 44 of the Act, or any decision, determination or rules made and duly published by MACRA in exercise of its powers under the Act;

"Service Provider" means any person who is authorised to provide any of the following public telecommunication services to another—

- (a) Voice Telephony Services;
- (b) Leased Line Services;

"Telecommunication Network" means a telecommunication network operated by a Telecommunication Operator;

"Telecommunication Operator" means the operator of a telecommunication network designated by MACRA under section 24 of the Act;

"Universal Service Fund" or "USF" means fund legally established and administered by MACRA 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 transport and switching of speech in real time between switched network termination points;

"VSAT" (Very Small Aperture Terminal)—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 a public telephone network or of any other network used to provide Voice Telephony Services.

2. Designation as a Telecommunication Operator

- 2.1 The Licensee is hereby designated a Telecommunication Operator within the meaning of section 24 of the Act.
- 2.2 The Licensee shall comply with the Code of Conduct of Licensed Operators and any Regulation relating thereto.

3. International Gateway Operator

- 3.1 The Licensee is an authorised International Gateway Operator.
- 3.2 The Licensee shall consult from time to time with MACRA and with other International Gateway Operators in respect of international accounting arrangements.

4. Universal Access Obligations

- 4.1 The Licensee may be required to contribute to the Universal Service Fund (USF) in accordance with the provisions of the Universal Service Regulations.
- 4.2 The Authority shall from time to time determine the percentage of the levies payable to the Universal Service Fund.

5. International Services

5.1 The Licensee shall comply with the obligatory conditions of applicable international agreements which have been ratified by the Government of the Republic of Malawi;

- 5.2 The Licensee shall have the status of a Recognised Operating Agency (ROA) within the meaning of the International Telecommunication Convention;
- 5.3 The Licensee may negotiate and conclude commercial and operating agreements with any Authorised Foreign Operator, subject to any Code of Practice published by MACRA;
- 5.4 The Licensee shall not enter into any agreement with an Authorised Foreign Operator which unfairly precludes or restricts the provision of international services by another operator;
- 5.5 The Licensee may only provide International Connection Services to other Licensed Operators and Service Providers;
- 5.6 The Licensee shall comply with any regulation which concerns the routing of traffic, accounting rates and settlement procedures for International Voice Telephony Services

6. Interconnection

- 6.1 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 any determination or regulation made by MACRA, and any regulation made by the Minister on the advice of MACRA, pursuant to the provisions of the Act concerning the interconnection of public telecommunication networks;
 - (c) not discriminate against any other person authorised to provide telecommunication services in Malawi under an individual licence;
 - (d) not cause harm to any public telecommunication network; and
 - (e) not infringe the rights to interconnection of any Telecommunications Operator.
- 6.2 In order to avoid the unnecessary duplication of infrastructure and to minimize the impact of telecommunication activities on the environment, the Licensee shall permit any other Telecommunication Operator with whom it has entered into an interconnection agreement to install and maintain equipment forming part of that Operator's network on any land, building or structure that the Licensee is using in relation to the operation of its network or the provision of a service, provided that:
 - (a) a written request has been made to the Licensee to share its infrastructure;
 - (b) the requesting Telecommunication Operator agrees to pay the Licensee's reasonable costs, including capital costs, of provision of land, building or structure; and
 - (c) the Licensee may refuse to make available any infrastructure for a period of six (6) months from the date when it is first brought into use in relation to the operation of its network or the provision of a service.
- 6.3 The arrangements for interconnection made by the Licensee shall ensure that the quality of service offered to the generality of 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—
 - (a) the 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, call failure rates and scheduled maintenance; and
 - (b) that future requirements for interconnection will be met in accordance with the conditions of this Licence within not more than three months of a notice of such requirements being given.
- 6.4 The prices, terms and conditions of any interconnection agreement that the Licensee proposes to enter into shall be submitted to MACRA for approval. An interconnection agreement which has been submitted to MACRA may come into force thirty (30) days after being so submitted, provided that:
 - (a) MACRA has made no objection; or
 - (b) the parties have accepted any changes to the agreement requested by MACRA.
- 6.5 Should the Licensee be unable to conclude an interconnection agreement with any Telecommunication Operator within three (3) months from a written request for interconnection then the Telecommunication Operator may request that MACRA, with a copy of such request being provided to the other Operator, determines terms and conditions that—
 - (a) are consistent with the objectives of national telecommunications policy;

- (b) are not less favourable than those of a similarly licensed operator providing public telecommunication services in Malawi; and
- (c) are on commercial terms.
- 6.6 When requested to make a determination under paragraph 6.5, MACRA shall determine the terms and conditions of interconnection within thirty (30) days of receipt of the written request from the Licensee.
- 6.7 A copy of any interconnection agreement concluded between the Licensee and any other Telecommunication Operator shall be lodged with MACRA for public inspection.
- 6.8 Where an interconnection agreement made or determined under this paragraph has been in force for not less than twelve (12) months, the Licensee may request in writing that MACRA, with a copy of such request being provided to other parties to the agreement, review the terms and conditions of the interconnection agreement.

7. Fair Trading

- 7.1 The Licensee shall not discriminate against or show any preference to any other Licensed Operator or Service Provider in the provision of International Connection Services.
- 7.2 Otherwise than as 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.
- 7.3 The Licensee shall not enter into any contract with, merge with or acquire any other party with the intention or effect of preventing, restricting or distorting competition in the provision of telecommunication services.
- 7.4 The Licensee shall not participate in anti-competitive conduct in relation to the provision of any public telecommunication service.
- 7.5 The Licensee shall comply with any regulations which relate to fair trading or competitive behaviour.

8. Confidentiality

- 8.1 The Licensee shall not monitor or disclose the contents of any communication conveyed as part of a public telecommunication service except—
 - (a) to the extent necessary for the purpose of maintaining or repairing any part of the network used to provide the service or monitoring the Licensee's quality of service;
 - (b) where requested to do so by any person authorised by law or by an order of court; and
 - (c) if so requested by a competent authority for maintenance of national security.

9. Accounts

9.1 The Licensee shall maintain proper accounting records in a form sufficient to explain the operation of its business and to represent fairly the costs, revenues and financial position of its telecommunication operations.

10. Provision of Information

- 10.1 The Licensee shall keep such records concerning the provision of telecommunication services and the operation of its business as MACRA may from time to time reasonably require.
- 10.2 The Licensee shall supply to MACRA such documents, accounts, estimates, returns or other information and procure and furnish to him such reports as he may reasonably require for the purpose of monitoring and enforcing compliance by the Licensee with its obligations under this Licence. The documentation shall be supplied in such manner and at such times as MACRA may request in writing.
- 10.3 MACRA may inspect the files, records, accounts and other data and the equipment of the Licensee, and if necessary make and take away copies of the documents inspected, for the purpose of enabling MACRA to monitor and enforce compliance by the Licensee with its obligations under this Licence.
- 10.4 In making any request for information, MACRA shall ensure that no undue burden is imposed on the Licensee in procuring and furnishing such information and, in particular, that the Licensee is not required to procure or furnish a report which would not normally be available to it unless MACRA considers the particular report essential to enable him exercise his functions.

11. Validity, Effective Term, and Renewal

- 11.1 This Licence shall come into force on the Effective Date and shall remain valid for a period of ten (10) years from that date ("the Effective Term") unless revoked under clause 12.
- 11.2 Should no notice of revocation be given in accordance with paragraph 12, this Licence may, upon application in writing made not later than twelve calendar months before the expiration of the Licence, be renewed for a period to be agreed with MACRA. Upon Renewal, this Licence may be amended to take account of any changes in the provision of public telecommunication services or other regulatory requirements.

12. Revocation

- 12.1 This Licence may be revoked by MACRA...
 - (a) at any time if the Licensee agrees in writing with MACRA that this Licence should be revoked;
 - (b) by ninety days notice in writing given to the Licensee in either of the following circumstances:
 - (i) if the Licensee is in substantial and continuing breach of the conditions of the Licence and has not within a reasonable period, after having been notified in writing of such breach by MACRA and having had reasonable opportunity to make representations, remedied the breach, except where such breach has been subject of specific penalty imposed on the Licensee under the provisions of this Licence; and
 - (ii) if the Licensee has been declared bankrupt or insolvent.

13. Transfer of Ownership

- 13.1 The Licensee shall require prior written approval from MACRA for any transfer of shares which would result in change of ownership of more than five (5) percent of the issued voting share capital of the Licensee.
- 13.2 Approval of a transfer of shares may not be withheld by MACRA for more than thirty (30) days unless there are reasonable grounds for believing that the transfer would likely lead to a breach of the terms and conditions of this Licence or result in a significant reduction in competition in the provision of public telecommunication services.

14. Licence Fees

14.1 The Licensee shall pay to MACRA a telecommunication licence fee of fifty thousand US dollars (US\$50,000.00) for the first year and thereafter thirty thousand US dollars (US\$30,000.00) on each anniversary of the Effective Date for so long as this Licence remains in force.

15. Force Majeure

- 15.1 Any failure by the Licensee to comply with any obligation, term or condition of the Licence shall be excused 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.
- 15.2 The Licensee shall use reasonable endeavours to minimise the impact on its operations of any event of this nature and to remedy, if possible, the failure or make good the delay.
- 15.3 The Licensee shall keep MACRA informed of any problems which may be encountered, their consequences on its operations and the steps it is taking to address them.

16. Amendment

- 16.1 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.
- 16.2 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.
- 16.3 The Licensee may submit a response to the proposed amendment within fifteen (15) days of the notice.
- 16.4 If the Licensee does not respond within the fifteen (15) day period under clause 16.3 the amendment shall take effect on the sixteenth (16th) day after the date of notice.

- 16.5 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.
- 16.6 The Licensee shall comply with all new terms and conditions issued by the Authority.

17. Radio Licences

- 17.1 The Licensee shall only use radio frequency after the issue of a valid radio licence covering that frequency and in accordance with the terms and conditions of that licence.
- 17.2 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.

18. Arbitration

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

19. Notices

19.1 Any notice required or permitted under the terms and conditions of this Licence shall be in writing in the English language and shall be sufficiently served if delivered by hand or sent by registered mail as follows:

(a) Physical address

MACRA House

Salmin Amour Road

Postal address:

Private Bag 261

Telephone number:

Blantyre. MALAWI

Facsimile number

+265 (0) 1 883 611 +265 (0) 1 883 890

E-mail address:

dg-macra@macra.org.mw

(b) in the case of the Licensee, to:

The Managing Director

LaCell Private Limited

P.O. Box 5469

Limbe

Malawi

Tel:

Fax:

Email: ...

20. Applicable Law

20.1 This Licence and its performance shall be governed and construed in accordance with the Laws of the Republic of Malawi.

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21. Miscellaneous

- 21.1 The Licensee shall comply with all terms and conditions of this Licence, applicable laws and Regulations issued by the Authority from time to time.
- 21.2 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.
- 21.3 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.
- 21.4 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.
- 21.5 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.
- 21.6 Nothing in the provisions of this License 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.
- 21.7 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 29th	ı dav	of Ma	iv. 201	5.
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Andrew Kumbatira

Director General

Lisa Makawa Chairperson