

28 December 2016

By post and by email

Circular letter to all Services-Based Operator Licensees (authorised to provide mobile virtual network operator services)

Dear Sir/Madam,

New Annual Licence Renewal Arrangement for Services-Based Operator (“SBO”) Licences for the Provision of Mobile Virtual Network Operator (“MVNO”) Services

In order to safeguard the satisfactory provision of a good, efficient and continuous service to the general public by MVNOs under their licences, please be informed an updated annual licence renewal arrangement will be adopted for all SBO licensees authorized to provide MVNO services (“MVNO Licensees”) whose licence will expire and to be renewed on or after 1 July 2017. An outline of the arrangement is set out below.

Any MVNO Licensee seeking renewal of its SBO licence is required to duly submit to the Office of the Communications Authority (“OFCA”) the following supporting documents (“Supporting Documents”) in its application for the licence renewal –

- (a) An interconnection agreement for or a memorandum of understanding in effect on the interconnection between the MVNO Licensee and its hosting mobile network operator (“MNO”) (the “Agreement”), and
- (b) A “Letter of Confirmation” issued by the MVNO Licensee’s hosting MNO specifying that –
 - (i) The hosting MNO will according to the Agreement

which is currently in force supply service to the MVNO Licensee within the next 12 months from the licence renewal date of the MVNO Licensee;

- (ii) There is currently no default payment¹ by the MVNO Licensee to the hosting MNO that will give rise to termination of the Agreement by the hosting MNO; and
- (iii) There is currently no commercial dispute between the hosting MNO and MVNO Licensee that is causing or will cause the hosting MNO to exercise its right to terminate the service provided to the MVNO Licensee under the Agreement.

A sample Letter of Confirmation is attached at **Annex** of this circular letter. If the MVNO Licensee has more than one hosting MNO, it should submit sets of Supporting Documents in respect of each hosting MNO.

OFCA will send a reminder letter to each MVNO Licensee at least six months before the expiry date of its SBO licence. An MVNO Licensee who intends to renew its licence is required to submit the Supporting Documents to OFCA five months before the expiry date of its SBO licence. In case of any failure of the MVNO Licensee to submit the Supporting Documents and demonstrate its capability of on-going compliance with its licence obligations and provision of service in a manner satisfactory to the Communications Authority (“CA”), the CA may consider not renewing the SBO licence of the MVNO Licensee after the licence expiry date. In any case, the MVNO Licensee will be afforded reasonable opportunity to make representations to OFCA as to why its SBO licence should be renewed. The CA will take into account all relevant information available and the circumstances of the case

¹ Default payment means any failure or refusal to pay the charges incurred by the MVNO in respect of the hosting services provided by the hosting MNO, despite demand and request made by that MNO under the Agreement.

before arriving at a decision on the matter.

Should you have any enquiry on the matter, please contact the undersigned or Mr Matthew Wong at 2961 6655.

Yours faithfully,

(Esmond Chiu)
for Director-General of Communications

cc:

Unified Carrier Licensees (authorised to provide mobile services)
Mobile Carrier Licensees

[MNO LETTERHEAD]

[DATE]

Office of Communications Authority
29/F Wu Chung House
213 Queen's Road East
Wanchai, Hong Kong

Dear Sir,

This is to confirm that we [are/will be/intend to be] a hosting Mobile Network Operator (“MNO”) for [Company A, i.e. Name of the MVNO Licensee] with effect from [Start DD MM YY] to [End DD MM YY] under the [Name of interconnection agreement/memorandum of understanding] entered into between [Name of the hosting MNO] and [Company A] (the “Parties”) on [DD MM YY] (the “Agreement”). We hereby confirm that –

- (a) we will according to the Agreement which is currently in force supply our service to [Company A] within the next 12 months from [the licence renewal date of Company A's SBO licence, i.e. DD MM YY].
- (b) there is currently no default payment* by [Company A] to us that will give rise to our termination of the Agreement; and
- (c) there is currently no commercial dispute between the Parties that is causing or will cause us to exercise our right to terminate the service provided to [Company A] under the Agreement.

This letter is issued at the request of [Company A] for its licence renewal and does not constitute as any undertaking to the Office of the Communications Authority or any other third party.

Yours faithfully,

(for and on behalf of)
[Name of the hosting MNO]

(Name of signatory)
(Position of the signatory)
(with company chop)

- * Default payment means any failure or refusal to pay the charges incurred by [SBO Licensee] in respect of the hosting services provided by the hosting MNO, despite demand and request made by the hosting MNO under the Agreement.