

3 July 2020

By post and by email

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

Dear Sir/Madam,

**Updated Licence Renewal Arrangement for Services-Based Operators (“SBOs”) for the Provision of Mobile Virtual Network Operator (“MVNO”) Services**

This circular letter is issued to supersede the one issued on 28 December 2016 under the subject “*New Annual Licence Renewal Arrangement for Services-Based Operator Licences for the Provision of Mobile Virtual Network Operator Services*”.

By a circular letter dated 28 April 2020, SBOs were advised that the regulatory framework of the SBO licensing regime would be updated with effect from 1 August 2020<sup>1</sup>. In tandem with the implementation of the updated SBO licensing regime, this circular letter sets out the updated licence renewal arrangement for MVNOs which will also take effect from **1 August 2020**. Details are set out in the paragraphs below.

For the purpose of safeguarding the satisfactory provision of a good, efficient and continuous service to the general public by MVNOs under their SBO licences, any MVNO seeking renewal of its 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 –

<sup>1</sup> Please refer to the circular letter dated 28 April 2020 under the subject “*Enhancement of the Licensing Regime for the Services-Based Operators*” for details, which is available at: [www.coms-auth.hk/filemanager/common/licensing/circular\\_20200428\\_1.pdf](http://www.coms-auth.hk/filemanager/common/licensing/circular_20200428_1.pdf).

- (a) An interconnection agreement for or a memorandum of understanding in effect on the interconnection between the MVNO and its hosting mobile network operator (“MNO”) (“Agreement”); and
- (b) A “Letter of Confirmation” (“LoC”) issued by the MVNO’s hosting MNO specifying that –
  - (i) The hosting MNO will according to the Agreement which is currently in force supply service to the MVNO **for a period of not less than 12 months** from the licence renewal date of the MVNO;
  - (ii) There is currently no default payment<sup>2</sup> by the MVNO 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 that is causing or will cause the hosting MNO to exercise its right to terminate the service provided to the MNVO under the Agreement.

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

In line with the prevailing practice, OFCA will send a reminder letter to each MVNO at least six months before the expiry date of its SBO Licence. An MVNO who intends to renew its licence is required to submit the Supporting Documents to OFCA five months before the expiry date of its

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<sup>2</sup> 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. For the avoidance of doubt, default payment does not include payment which, in spite of it being outstanding at the time of the issue of the LoC, will be settled by a date or according to a payment schedule as agreed between the MVNO and the MNO concerned.

SBO Licence. In case of any failure of the MVNO 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 after the licence expiry date. In any case, the MVNO 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 before arriving at a decision on the matter.

Should there be any enquiry on the matter, please contact the undersigned or Miss Lucy Lau at 2961 6653.

Yours faithfully,

( Linda Yu )  
for Director-General of Communications

cc:

Unified Carrier Licensees (authorised to provide mobile services)

Mobile Carrier Licensees

[MNO LETTERHEAD]

[DATE]

Office of the 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] for [a period of not less than 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]

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(Name of signatory)

(Position of signatory)

(with company chop)

- \* 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. For the avoidance of doubt, default payment does not include payment which, in spite of it being outstanding at the time of the issue of this letter, will be settled by a date or according to a payment schedule as agreed between the MVNO and the MNO concerned.