

**Notice Pursuant to Section 36C
of the Telecommunications Ordinance
(Chapter 106)**

Interpretation

In this Notice, unless the context otherwise requires,

“Authority” means the Communications Authority;

“GC” means General Condition;

“Licensee” means China Unicom (Hong Kong) Operations Limited, holding a Services-based Operator (“SBO”) Licence (Licence No. 922);

“OFCA” means the Office of the Communications Authority; and

“Ordinance” means the Telecommunications Ordinance (Cap. 106).

Background

On 27 February and 31 March 2018, there were two incidents of outage of the Licensee’s 1-Card-Multiple-Number System, causing disruptions to its telecommunications services including mobile voice services, short message services and mobile data services. OFCA has completed an investigation into the two incidents and submitted its findings to the Authority.

2. Having considered the findings of the investigation, the Authority is satisfied that the Licensee has breached GC 5.1 of its SBO Licence (Licence No. 922), which requires that –

“5.1 The licensee shall, subject to Schedule 1 to this licence and any special conditions of this licence relating to the provision of the service, at all times during the validity period of this licence operate, maintain and provide a good, efficient and continuous service in a manner satisfactory to the Authority...”

Notification

3. The Authority, in exercise of its power under section 36C of the Ordinance,

having been satisfied that the Licensee has failed to comply with GC 5.1 of its SBO Licence (Licence No. 922);

having also been satisfied that the Licensee has been afforded a reasonable opportunity in accordance with section 36C(7) of the Ordinance to make representations; and

having considered all representations made before the Authority decides whether or not to impose the financial penalty,

hereby exercises its power under section 36C of the Ordinance and gives notice to the Licensee requiring it to pay to the Government of the Hong Kong Special Administrative Region by **19 October 2018** a financial penalty of HK\$160,000.

4. In imposing the financial penalty, the Authority has noted that, subject to section 36C(3B) of the Ordinance, the maximum penalty that the Authority is empowered under section 36C to impose on the second occasion of imposing such penalty is HK\$500,000. The Authority has also considered the following relevant factors –

- (a) the nature and gravity of the breach;
- (b) the Licensee took a conscientious and responsible attitude in making improvements to enhance its capability to handle similar incidents in future; and

- (c) the Licensee's cooperation with OFCA during the investigation.

The Authority is satisfied that the financial penalty of HK\$160,000 is, in all the circumstances of the case, proportionate and reasonable in relation to the breach concerned.

- 5. This Notice will be made public.

(Agnes Wong)
for Communications Authority
5 October 2018