



# **Interconnect Exchange Operator Licence**

**[IEX/001/04]**

**Granted to**

**XXXX NIGERIA LIMITED**

**By**

**Nigerian Communications Commission**

**Under Section 32 of**

**Nigerian Communications Act, 2003**

# **CONTENTS**

## **THE LICENCE**

## **DEFINITIONS, INTERPRETATIONS**

## **SCHEDULE 1: GENERAL CONDITIONS**

1. *Compliance with the Act, WTA and Regulations*
2. *Emergency Situations*
3. *Approval of Tariffs*
4. *Prohibition of Undue Preference and Undue Discrimination*
5. *Prohibition of Cross-Subsidies*
6. *Prohibition of anti-competitive conduct*
7. *Code of Practice for Consumer Affairs*
8. *Arbitration of Disputes with Customers*
9. *Separate Accounts for All Activities*
10. *Code of Practice on the Confidentiality of Customer Information*
11. *Transfer of Licence*
12. *Approval of Joint Ventures*
13. *Associates*
14. *Pre-Notification of Changes in Shareholding*
15. *Interconnection Arrangements*
16. *Payment of Fees*
17. *Requirements to Furnish Information to the Commission*
18. *Amendment of the Licence*

19. *Expiration and Renewal of the Licence*
20. *Revocation*
21. *Exceptions and Limitations on Obligations  
in Schedule 1*

**SCHEDULE 2: *Other Conditions applicable to the provision and operation of Long  
Distance Services within Nigeria***

22. *Scope of Operation*
23. *Technical Standards and Specifications*
24. *Authorizations, Permits and Licences*
25. *Network Rollout*
26. *Approval of Equipment and Sites*
27. *Frequency Assignments*
28. *Grade of Service*
29. *Location of Points of Presence.*
30. *Performance Specifications*
31. *Billing and Metering Arrangements*
32. *Service Agreement*
33. *Limitation of Liabilities*
34. *Licence Limitations*
35. *Penalties for Non-compliance generally*

**LICENCE NO. IEX/001/04 GRANTED  
TO XXXX NIGERIA  
TO PROVIDE AND OPERATE INTERCONNECT EXCHANGE  
SERVICES IN NIGERIA UNDER SECTION 32  
OF NIGERIAN COMMUNICATIONS ACT 2003**

**THE LICENCE**

1. The Nigerian Communications Commission (hereinafter referred to as “**the Commission**”) being a body corporate with perpetual succession rights and a seal, established by Section 1 of Nigerian Communications Act 2003 (hereinafter referred to as “**the Act**”) and in exercise of the powers conferred on it by Section 32 of the Act and Section 6 of the Wireless Telegraphy Act hereby grants to **XXX Nigeria Limited** (hereinafter referred to as “**the Licensee**” who, where the context so admits, shall include its successors and/or assigns) a Licence for the period specified in paragraph 2 subject to the Conditions set out in Schedules 1 and 2, to provide and operate Interconnect Exchange Services (hereinafter referred to as the “**licensed undertaking**”) within Nigeria as determined by the Commission.
  
2. This Licence shall take effect from ----- and shall have a tenure of Ten Years thereafter, in the first instance, but subject to Condition 20 of Schedule 1 to this Licence, shall be subject to revocation thereafter upon the giving of Twelve Months notice in writing by the Commission to the Licensee of such revocation.

3. Subject to paragraph 4 hereof, this Licence shall be automatically renewed upon the expiry of the tenure hereof and remain valid for a further period of Five Years unless the Licensee has given written notice to the Commission, at least Twelve Months before the expiry date hereof, of its intention not to renew the Licence.
4. The automatic renewal of the Licence in the manner provided in paragraph 3 hereof shall be subject to the payment, within six months before the expiry date of the Licence, of such Licence fees as the Commission shall specify and the fulfilment of all the terms, conditions and provisions of the Licence, Act, WTA and Regulations.
5. This Licence is valid for the provision and operation of the Service specified in Schedule 2 to this Licence within Nigeria.

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**DR. EUGENE JUWAH**  
**EXECUTIVE VICE-CHAIRMAN**

## DEFINITIONS AND INTERPRETATIONS

1. In these Conditions unless the context otherwise requires, the expressions shall have the following meanings:

“Act”	Nigerian Communications Act 2003 or any such other subsequent Acts of the National Assembly.
“Commission”	The Nigerian Communications Commission and agents appointed pursuant to the powers under the Nigerian Communications Act 2003.
“Communications”	The transmission of information from one point to another through a telecommunications System.
“Communications equipment”	Any equipment or apparatus for the Purpose of or intended to be used for Communications as part of or comprising a communications system.
“Community”	A group of people or persons within a limited geographical area such as a housing estate, village or Local Government Area.
“Connect”	To install, maintain and use any telecommunications line or other apparatus used for telecommunications so that messages which are:  (a) Conveyed by one Operator are also conveyed by another Operator; or  (b) Sent by means of one item of apparatus are conveyed or received by means of another item of apparatus.
"Connectable System"	A telecommunications system approved for use in Nigeria by the Commission, which entitles the Licensee to interconnection under section 96 of the Act.

“Cross-ownership Situation”	A cross-ownership situation exists when any person or entity that owns, directly or indirectly (" <b>Attributable Interest</b> "), an ownership stake of more than 25% (twenty five percent) of the Licensee has, directly or indirectly, an ownership stake of more than 25% (twenty five percent) in some other Operator(s) or in any person or entity that has an Attributable Interest in any Operator.
“Customer”	A person who has entered into a contract with the Licensee for the provision of the service, irrespective of the payment terms thereof, subject to the Licensee’s terms and conditions lodged in accordance with Condition 35.
“Effective Date ”	The date on which this Licence enters into force.
“Emergency”	An emergency of any kind, including but not limited to medical emergencies and circumstances whatsoever resulting from major accidents, natural disasters and incidents.
“Emergency Organisation”	In respect of any locality, the relevant Government Department such as the Nigeria Police Force, hospital and ambulance services, and the Federal Fire Service.
“Geo–Political Zone(s)”	As the context may admit, one or more of Nigeria’s political zones as may be reconstituted from time to time but currently standing at six and consisting of <b>North-Central</b> (Abuja, Benue, Kogi, Kwara, Nassarawa, Niger and Plateau States), <b>North-East</b> (Adamawa, Bauchi, Borno, Gombe, Taraba and Yobe States), <b>North-West</b> (Jigawa, Kaduna, Kano, Katsina, Kebbi, Sokoto and Zamfara States), <b>South-East</b> (Abia, Anambra, Ebonyi, Enugu and Imo States), <b>South–South</b> (Akwa Ibom, Bayelsa, Cross River, Delta, Edo and Rivers States) and <b>South-West</b> (Ekiti, Lagos, Ogun, Ondo, Osun, and Oyo States), Zones.
“Information”	Includes but is not limited to signs, signals, texts, images, sound or data.
“Interconnection”	The connection of the Licensee’s network with a private network or the network of an Access Provider in order to convey messages to and from their respective networks.
“Interconnection Fees”	Fees payable in terms of an Interconnection Agreement for the carriage of messages originating in one network and

terminating in another network.

“Interconnection Guidelines”	The Interconnection Guidelines issued by the Commission establishing requirements for Interconnection between Operators as stated in Condition 15.
“ITU-T”	The Standardisation Bureau of the International Telecommunications Union.
“Leased Line”	A dedicated point-to-point circuit, complying with ITU-T recommendations leased by an Operator for the sole purpose of conveying its traffic.
“Licence”	A licence granted or having effect as if granted under Section 32 of the Act.
“Licensed Area”	The geographical territory known as the Federal Republic of Nigeria.
“Licensed Fee”	The amount specified by the Commission and paid by the Licensee to the Commission in consideration of this Licence.
“Licensee’s Group” Member of:	A body corporate in which the Licensee has equity/ shareholding interests, or which has equity/shareholding interests in the Licensee.
“Message”	Any information sent, or to be sent, for conveyance by means of a licensee circuit
“Monopoly situation”	<p>Subject to specific relevant legislation and/or Regulations, a monopoly situation shall be taken to exist in relation to the supply of telecommunications facilities and/or services of any description in the following cases, amongst others, that is to say -</p> <p>(a) If at least 50% (fifty percent) of all the telecommunications facilities and/or services of that description which are supplied in Nigeria are supplied by one and the same Operator, or are supplied to one and the same Operator; or</p> <p>(b) If at least 50% (fifty percent) of all the</p>



telecommunications facilities and/or services of that description which are supplied in Nigeria are supplied by members of one and the same group of associated bodies corporate, or are supplied to members of one and the same group of associated bodies corporate; or

- (c) If at least 50% (fifty percent) of all the telecommunications facilities and/or services of that description which are supplied in Nigeria are supplied by members of one and the same group consisting of two or more such Operators as are mentioned in paragraph (a) hereof, or are supplied to members of one and the same group consisting of two or more such Operators; or
- (d) If one or more agreements are in operation, the result or collective result of which is that telecommunications facilities and/or services of that description are not supplied in Nigeria at all.

The two or more Operators referred to in paragraph (c) hereof, in relation to telecommunications facilities and/or services of any description, are any two or more Operators (not being a group of associated bodies corporate) who whether voluntarily or not, and whether by agreement or not, so conduct their respective affairs as in any way to prevent, restrict or distort competition in connection with the production or supply of telecommunications facilities of that description, whether or not they themselves are affected by the competition and whether the competition is between Operators interested as producers or suppliers or (in relation to telecommunications facilities) between Operators interested as Customers or Producers or Suppliers or (in regard to telecommunications services) between Operators interested as Operators by whom or as Operators for whom services are supplied.

“Net Revenues”

For any period, gross revenues collected by the Licensee for the services during such period (after deducting any value-added taxes or other taxes with similar effect); it being understood and agreed that “Net Revenues” shall include all payments Received by the Licensee during such period from any other Operator for interconnection pursuant to an Interconnection agreement or otherwise only to the extent

that the total of all such receipts exceed the total of all payments made by the Licensee during such period to any other Operator for Interconnection pursuant to an Interconnection Agreement or otherwise.

“Nigeria”	The entire geographical area, the territorial waters, air limits of Nigeria and any area to which the provisions of the Act apply.
“Operator”	A Provider of a telecommunications service duly licensed by the Commission.
“Person”	Any individual, Firm, Corporation, Partnership, Trust, Limited Liability Company, Joint Venture, Government or other Entity.
“Point of Presence”	A location designated by the Licensee where switching and transmission facilities are provided for the purpose of interfacing with Operators.
“Private Network”	A telecommunications network that is not deployed for the provision of commercial services to the public.
“Regulations”	The Regulations enacted by the Commission or any other competent authority under the Act and/or WTA and such further Regulations relating to the Services as the Commission may adopt from time to time.
“ Radio Regulations”	The publication of the International Telecommunications Union (ITU) that delineates radio frequencies into bands and stipulates the services applicable to each frequency band and the conditions of bringing into use of such frequencies.
“Subscriber”	See “Customer”
“Tariffs”	The charges by a Communications Service Provider to the customers.
“Telecommunications”	Any form of transmission, broadcast or reception of signs, signals, texts, images, sounds or data by wire, by optical means, microwave or other electromagnetic means.

“Telecommunications Network Infrastructure”	Any form of installation or group of installations which ensure either the transmission or the transmission and routing of telecommunications signals and the associated exchange of the control and operational information, between network termination points.
“Telecommunications Services”	Any service including the transmission and/or routing of signs, signals, texts, images, sounds or data or a combination of these functions, using telecommunication process.
“Telecommunications System”	A combination of telecommunications networks or network infrastructure for the purpose of providing telecommunications services.
“Territory”	Geographical area of the Federal Republic of Nigeria.
“Transmission”	The conveyance of traffic between the networks of two or more Access Providers.
“Wireless Telegraphy Act” or “WTA”	Wireless Telegraphy Act Cap 469 Laws of the Federation of Nigeria 1990 as amended by Wireless Telegraphy (Amendment) Act No. 31 of 1998

2. The Interpretation Act Cap. 192 LAWS OF THE FEDERATION OF NIGERIA [**“Interpretation Act”**] shall apply for the purpose of interpreting these Conditions.
3. Any word or expression used in these Conditions shall unless the context otherwise require have the same meaning as it has in the Interpretation Act.
4. For the purposes of interpreting these Conditions, headings and titles to any Condition shall be disregarded.
5. Any reference in any of the Conditions, however expressed, to the Commission notifying the Licensee of any matter, consulting the Licensee about any matter, affording the Licensee an opportunity to make representation, taking representations made by the Licensee into account, or explaining, or giving reasons for, any matter to the Licensee, shall be without prejudice to any obligation of due process or similar obligation which the Commission is or may be under by virtue of any rule or principle of law or otherwise.

6. This Licence and the legal relations between the licensee and the Commission and any claim instituted by the Licensee or the Commission with respect to matters arising under or in connection with or in respect of this Licence shall be governed by and construed in accordance with the Laws of the Federal Republic of Nigeria.
7. This Licence constitutes the entire set of terms and conditions applicable to the Licence and supersedes all other prior understandings, both written and oral, between the Commission and the Licensee. The Annexures hereto are a part of this Licence as if fully set forth herein.
8. If any provision in or obligation under this Licence is considered invalid, illegal or unenforceable by a Court of competent Jurisdiction, such judicial decision must, as regards such invalidity, be strictly interpreted and shall not affect or impair the validity, legality or unenforceability of any other provision in or obligation under this Licence.

# **SCHEDULE 1**

## **General Conditions**

### **Condition 1**

#### **Compliance with the Act, WTA and Regulations**

- 1.1 The Licensee shall comply with the provisions of the Nigerian Communications Act 2003, WTA and Regulations made thereto and with any direction, determination or order that the Act and/or WTA provide for the Commission to give or make.
- 1.2 Neither the Licensee nor its officers, directors, employees, agents, or counsel shall in any response to the Commission or any inquiry or in any application, pleading, report or any other written statement submitted to the Commission, make any misrepresentation or wilful material omission bearing on any matter within the Commission's jurisdiction.
- 1.3 Unless otherwise provided in this Licence, any notifications, service of process, petitions, claims and other communications requested or permitted pursuant to this Licence shall be made in writing and shall be considered validly made when delivered by hand or by courier, telex or facsimile to the Licensee at the Licensee's address provided to the Commission for contact purposes and for the Commission at any of the registered offices of the Commission.

## Condition 2

### Emergency Situations

- 2.1 The Licensee shall take all reasonably practicable steps to maintain, to the greatest extent possible,
  - (a) The availability of its Services, having particular regard to the needs of Emergency Organisations, in the event of catastrophic network failure or in cases of Force Majeure such as flood, lightning, fire, etc;
  - (b) The integrity of its Network, having particular regard to the needs of Emergency Organisations, that is to say, protection of the physical and functional operation of such systems and services against malfunctions or failure caused by electrical conditions, signalling protocols or traffic loads.
- 2.2 The Commission shall instruct the Licensee, in an emergency, to cooperate with the relevant Government entity that is responsible for managing that emergency.
- 2.3 Within 9 (nine) months from the Date of Award, the Licensee shall submit to the Commission its procedural and operational plans that the Licensee would adopt in the event of any emergency.

## Condition 3

### Approval of Tariffs

- 3.1 The Licensee shall lodge with the Commission, a notice of tariffs and any variation thereto, which sets out in relation to each kind of service that the Licensee proposes to offer:
- a) a description of the service;
  - b) details of the nature and amounts of charges payable for the service; and
  - c) the method adopted for determining the charges.
- 3.2 If the charges in the tariff plan vary, in nature, in their amounts or both, the notice must set out, why and how the charges vary. The notice must be precise and detailed enough to be used to work out the nature and amounts of charges payable for the supply of the particular service. The tariffs must be in a form approved by the Commission who, subject to Condition 3.5, will provide written reasons in the event of non-approval.
- 3.3 The notice of tariffs lodged with the Commission must state the period (i.e. the term) for which it is to be in force. Subject to Condition 3.5, the term must not begin until approval for the tariffs is given by the Commission and shall not operate simultaneously with any previously approved Licensee's tariff for the same service.
- 3.4 The Licensee shall provide the specified telecommunications service at the charges and upon the terms and conditions so approved by the Commission and shall not depart therefrom without prior written approval by the Commission of the proposed changes. **Provided** that the Licensee shall be at liberty to offer discount schemes to its customers, without the prior approval of the Commission in a fully transparent manner. Such discount schemes and any revisions thereto shall be published in the same manner as is set out in Conditions 3.6 and 3.7.
- 3.5 The Commission shall communicate to the Licensee its decision on the notice of tariffs or any application for changes thereto within 45 (forty five) days from the date of receipt of the notice by the Commission. A failure by the Commission to communicate its decision to the Licensee within the timeline herein specified shall be deemed to constitute an approval of the tariff or changes thereto and the Licensee shall, in that event, be at liberty upon the expiry of the said timeline to implement the tariff structure or the revisions thereto.

- 3.6 The Licensee shall publish in a manner and at the times indicated in Condition 3.7 the charges, terms and conditions, including subsequent revisions thereto, on which it offers to provide the specified telecommunications service in accordance with an obligation imposed by or under this Licence.
- 3.7 Publication shall be effected by:
- a) Placing a copy thereof in a publicly accessible part of every office of the Licensee in such manner and in such place that is readily available for inspection free of charge by members of the general public during normal office hours on every working day.
  - b) Sending a copy thereof or such parts thereof as are appropriate to any person who may request such a copy.
- 3.8 Where the Licensee publishes a notice of amendment to a charge in the form of an extract from the Licensee's price list the new price shall be clearly identifiable and the operative date specified.



## Condition 4

### Prohibition on Undue Preference and Undue Discrimination

- 4.1 The Licensee shall not (whether in respect of charges, application of discount schemes, or other terms or conditions applied or otherwise) show undue preference to or exercise undue discrimination against any particular person or persons of any class or description in respect of:
- a) the provision of a service under this Licence; or
  - b) the connection of any equipment approved by the Commission.
- 4.2 The Licensee shall be deemed to have shown such undue preference or to have exercised such discrimination if *inter alia* it unfairly favours to a material extent a business carried on by it or by its lawful telecommunications associates in relation to any of the matters mentioned in Condition 4.1 so as to place at a significant competitive disadvantage persons competing with that business.
- 4.3 Notwithstanding the provisions of Condition 4.1, the Licensee may provide the Service to a Customer on charges, terms and conditions that are preferential if the charge in question is in accordance with a tariff plan and terms and conditions that have been duly lodged with the Commission as required hereunder.
- 4.4 The sharing of infrastructure and facilities with other similarly Licensed persons and the terms and conditions thereof shall be subject to the prior approval of the Commission.
- 4.5 Any question relating to whether any act done or course of conduct pursued by the Licensee amounts to such undue preference or such undue discrimination shall be determined by the Commission, but nothing done in any manner by the Licensee shall be regarded as undue preference or undue discrimination if and to the extent that the Licensee is required to do that thing in that manner by or under any provision of this Licence.

## Condition 5

### Prohibition of Cross-Subsidies

- 5.1 The Licensee shall ensure that his business under this Licence is not unfairly cross-subsidised from any other source, except in cases where the Licensee is under an obligation to provide service at a place in an area in which the demand or the prospective demand for the service is not sufficient, having regard to the revenue likely to be earned from the provision of the service in the area, to meet all the costs reasonably to be incurred by the Licensee in providing the service there, including;
- i) the cost of equipment necessary for the provision of the service there;
  - ii) the cost of installing, maintaining and operating such equipment for the purpose of providing service there, and
  - iii) the cost of the trained manpower necessary to provide the service there;
- in which case prior approval shall be obtained from the Commission.
- 5.2 Where it appears to the Commission that the Licensee's business is unfairly cross-subsidised from any other source whatsoever, it shall take such steps as the Commission shall deem necessary to remedy the situation.
- 5.3 For the purposes of determining cross-subsidy, the Licensee shall record at full cost in its accounting records any material transfer between it and any other member of the Licensee's Group or any other source whatsoever. For the purposes of this Condition:
- (a) A transfer from one business to another business or company takes place when anything (including any service or money) produced or acquired by, normally used in, or otherwise at the disposal of, the first mentioned business is made available for the purposes of the other business or company; and
  - (b) “**Full cost**” in the case of money transferred includes the market rate of interest for that money.

### Prohibition of anti-competitive conduct

- 6.1 The Licensee shall not engage in any conduct which in the opinion of the Commission has the purpose or effect of preventing or substantially limiting, restricting or distorting competition in the operation of the Service or in any market for the provision or acquisition of telecommunication installation, service or apparatus.
- 6.2 The conduct which the Commission may consider as the relevant purpose or effect referred to in Condition 6.1 includes but is not limited to:
- i) Collusive agreements to fix the price of any apparatus or service
  - ii) Boycotting the supply of goods or services to competitors;
  - iii) Entering into exclusive arrangements which prevent competitors from having access to supplies;
  - iv) Agreements between Licensees to share the available market between them along geographic or customer lines;
  - v) Agreements limiting production, markets, distribution of equipment or technical development to the prejudice of consumers;
  - vi) Applying dissimilar conditions to equivalent transactions with different parties, thereby placing one or some of the parties at a competitive disadvantage.
- 6.3 In particular but without limiting the generality of the conduct referred to in Condition 6.1, the Licensee shall not:
- (i) Enter into any agreement, arrangement, or understanding, whether legally enforceable or not, which has or is likely to have the purpose or effect of preventing or substantially restricting competition in any market for the provision or acquisition of any telecommunication installations, services or apparatus;
  - (ii) Give an undue preference to, or receive an unfair advantage from a business carried on by it or by an associated or affiliated company, service or person, if in the opinion of the Commission, competitors would be placed at a significant competitive disadvantage or competition would be prevented or substantially restricted within the meaning of Condition 6.1.

(iii) Make it a condition of:

- a) Providing any telecommunication service;
- b) Supplying any telecommunication equipment;

that any person should acquire from the Licensee or from any other person specified or described by the Licensee:

- i) any telecommunication service other than the telecommunication service requested save where that service cannot be provided without the provision of that other telecommunication service; or
- ii) any telecommunication equipment (including in particular but not limited to terminal equipment) not incorporated in the Systems supplied save where the telecommunication service requested cannot otherwise be provided or the telecommunication equipment cannot otherwise be used.

6.4 Except where the Commission has agreed otherwise, the Licensee shall not do either of the things described in sub-paragraphs (a) and (b) of Condition 6.3(iii) together with the other in a manner or for charges or on terms or conditions more favourable than would be available for doing one thing without that other.

6.5 Notwithstanding the provisions of Conditions 6.3(iii) and 6.4 the Licensee may where it supplies as part of the same transaction or interconnected series of transactions two or more items of telecommunications equipment, offer quantity discounts or more favourable terms and conditions in respect of quantity in relation to such equipment which it so supplies whether those items or equipment are of the same or different descriptions.

6.6 In the event of default by the Licensee in regard to any of the provisions of this Condition, the Commission shall, subject to specific prevailing legislation and/or regulations, take such steps as it deems necessary to remedy the situation including but not limited to issuance of directives to the Licensee and application of sanctions and/or fines against the Licensee.

**Code of Practice for Consumer Affairs**

- 7.1 The Licensee shall in consultation with the Commission prepare and publish in accordance with Condition 3.6 and 3.7 not later than three months after the Commercial Launch Date a Code of Practice including:
- (a) Guidance to their customers and employees in respect of disputes or complaints relating to the provision of service by them and the time frame for handling complaints through this procedure;
  - (b) Further recourse available to a customer who is dissatisfied with the Licensee's complaints handling procedure;
  - (c) Advice to such customers on charging, billing and enquiries in relation thereof;
  - (d) Advise and procedures on the proper use of the service by such customers;
  - (e) Procedures adopted by the Licensee to check the accuracy of a customer's account;
  - (f) Procedures adopted by the Licensee to assist customers in emergency situations; and
  - (g) Availability to customers of quality of service information relating to the Licensee's network services.
- 7.2 The Licensee shall consult the Commission once every year about the operation of the Code of Practice.
- 7.3 The Licensee must keep and maintain all information on the complaints made to the Licensee by the Licensee's Customers and shall provide such information to the Commission at least once in each year. The Commission may, after consultation with the Licensee publish the information, provided that such publication shall relate to a period of not less than three months range calculated on the basis of the date of complaint.

- 7.4 The Licensee shall establish and maintain efficient information and assistance to assist Customers in resolving questions relating to the installation and all other relevant issues relating to the Services. In the provision of such services the Licensee shall not discriminate between the Customers.
- 7.5 The Licensee shall have available copies of any forms that may be issued by the Commission for the filing of formal or informal complaints, and shall make such forms available to the Customers promptly upon request. The Licensee will train its personnel responsible for interfacing with the Customers to inform the Customers that they have a right to lodge formal or informal complaints with the Commission, and that the Licensee can make any issued forms available.

**Arbitration of Disputes with Customers**

- 8.1 The Licensee shall include in the standard terms and conditions on which it provides telecommunication services, provisions giving persons who have entered into contracts with it for the provision of telecommunication services the opportunity to refer to an inexpensive independent arbitration procedure, instead of to a court of law, any dispute relating to the provision of these services which does not involve a complicated issue of law or a sum greater than such sum as the Commission may from time to time determine. The arbitration procedures and the method of appointment of the arbitrators shall be subject to consultation with the Commission.
- 8.2 The Commission shall settle;
- a) Any dispute between the Licensee and the customer relating to the provision of the Services which the Commission is capable of resolving in accordance with the established procedure for redressing grievances of customers, and
  - b) Any other dispute between the Licensees and the customers within the scope of the powers given under the Act.

## Condition 9

### Separate Accounts for all Activities

- 9.1 This Condition applies for the purpose of ensuring that a Licensee establishes as soon as reasonably practicable, not later than 12 months from the Date of Award, accounting and reporting arrangements sufficient to enable the Licensee's finances in relation to a Telecommunication Services provided pursuant to this Licence to be assessed and reported separately from its other Telecommunications Services and from the other commercial activities of the Licensee.
- 9.2 The Licensee shall:
- (a) Maintain accounting records in such a form that the activities of one commercial telecommunications services and another Licensed undertaking and/or other commercial activities (collectively referred to in this Condition as "Businesses") are separately identifiable or separately attributable in the books of the Licensee, being records sufficient to show and explain the transactions of each of those Businesses;
  - (b) Prepare in respect of each complete financial year of the Licensee, or of such lesser periods as the Commission may specify, accounting statements setting out costs (including capital costs), revenue and financial position of each of the Businesses and including a reasonable assessment of the assets employed in and liabilities attributable to each of them and showing separately, in the case of yearly accounting statements, the amount of any material item of revenue, cost, asset or liability which has been either:
    - i) Charged from or allocated to any other business of the Licensee together with a description of the basis of the value on which the charge or allocation was made; or
    - ii) Determined by apportionment or attribution from an activity common to the Businesses and if not otherwise disclosed the basis of the apportionment or attribution.
  - (c) Procure in respect of each of those accounting statements prepared in respect of a complete financial year of the Licensee a report by the Licensee's Auditor stating whether in his opinion that statement is adequate for the purposes of this Condition; and
  - (d) Deliver to the Commission a copy of each of the accounting statements and of the reports relating thereto required under sub-paragraphs (a) and



(b) above as soon as reasonably practicable and in any event not later than six (6) months after the end of the period to which they relate.

- 9.3 Accounting statements prepared under Condition 9.2(b) in respect of each financial year shall so far as reasonably practicable, be prepared in the formats and in accordance with the accounting principles and rules which apply to the annual accounts of the Licensee and shall state the accounting policies used.
- 9.4 The Licensee shall establish and maintain adequate records to permit the effective supervision and enforcement of the terms of this licence by the Commission. By March 1<sup>st</sup> of each year, the Licensee shall submit to the Commission a financial statement together with requisite documents showing the Licensee's Net Revenues, including the balance sheet of Licensee as at the end of the Licensee's fiscal year preceding the said March 1<sup>st</sup>. The Licensee shall in addition submit to the Commission all its related statements of operations, equity and cash flows. The statements and documents shall in each case be accompanied by a report thereon prepared by independent accountants stating that such financial statements fairly represent the financial position of the Licensee at the dates indicated therein and were prepared in accordance with accounting principles generally acceptable internationally.
- 9.5 In addition to the foregoing, the Commission may request the Licensee to submit other periodic reports, financial statements, statistics and other data regarding the Licensee's operations and activities. The Commission may publish such information with the exception of confidential information, privileged information and trade secrets. The Commission shall have the right to inspect or to instruct an auditor or other personnel to (at the expense of the Licensee) review the files, records and other data of the Licensee with a view to monitoring and enforcing the terms of this licence effectively. In giving such instructions however the Commission shall be mindful of the attendant costs which must be fair and reasonable and must not present an undue burden on the Licensee.

**Code of Practice on the Confidentiality  
Of Customer Information**

- 10.1 The Licensee shall take all reasonable steps to ensure that its employees observe the provisions of a Code of Practice which:
- a) Specifies the persons to whom they may not disclose information which has been acquired in the course of the Licensee's Business about a customer of the Licensee or that customers' business without the prior consent of that customer;
  - b) Regulates the information about any such customer or his business that may be disclosed without his consent.
- 10.2 The Licensee shall within three months of the Date of Award submit a draft of the code of practice to the Commission for its approval. In the event of a disagreement between the Licensee and the Commission on the contents of the code of practice or any portion thereof, the Commission's ruling shall prevail.
- 10.3 This condition is without prejudice to the general duties at law of the Licensee towards its customers.

## Condition 11

### Transfer of Licences

- 11.1 The Licensee shall not transfer or assign its Licence to another party without the prior written approval of the Commission.
- 11.2 For the avoidance of doubt, this Licence is personal to the Licensee and shall not without the prior express consent of the Commission in the manner specified in Condition 11.1 be operated by any third party Organization or person whomsoever, including but not limited to the Licensee's subsidiary and/or associated companies.
- 11.3 A person to whom a Licence is to be transferred shall apply to the Commission for a Licence to carry on the relevant telecommunications undertakings on the prescribed application form and shall satisfy the conditions set down by the Commission before any transfer of Licence may be considered.
- 11.4 Where the Licensee seeks to transfer its Licence to another person, it shall comply with all terms and conditions of its Licence as at the date of transfer and shall have paid all outstanding fees to the Commission.

**Approval of Joint Ventures**

- 12.1 The Licensee shall give particulars of any of the agreements or arrangements to which this Condition applies for approval of the Commission before the coming into effect of such agreements or arrangements.
- 12.2 These agreements are Agreements or arrangements between the Licensee and any person:
- a) For the establishment or control of any body corporate for the purpose of:
    - i. Providing telecommunications services in Nigeria which requires a Licence; or
    - ii. The production of telecommunications equipment for supply in Nigeria where that production would lead to a monopoly situation which would not otherwise exist in relation to the supply of telecommunications equipment of any description in Nigeria;
  - b) For the establishment of a partnership for any of the purposes and in any of the circumstances specified in paragraph (a) above;
  - c) In the nature of a joint venture for the purpose of providing telecommunications services that require a Licence.

**Members of Licensee's Group and/or Associates**

13.1 Where, without prejudice to the Licensee's obligations under these Conditions in respect in particular to anything done on its behalf:

- a) Any Associate of the Licensee or member of the Licensee's Group does anything which the Licensee is prohibited from doing under these Conditions or fails to do anything which the Licensee is in the circumstances required to do; or
- b) Any Associate or Member of the Licensee's Group has done something which would, if it had been done by the Licensee, require the Licensee to take or refrain from taking a particular action under this Licence and neither the Licensee nor the Associate or Member has met that further requirement; and
- c) The Commission is of the opinion:
  - i. That in consequence the Licensee is seeking to or is in a material and substantial way avoiding obligations which would apply under these Conditions if the thing had been done or not done by the Licensee; and
  - ii. That having regard to the duty imposed on it by Section 4 of the Act it ought to make a direction under this Condition,

then the Commission may direct the Licensee to take such steps as the Commission deems appropriate for the purpose of remedying the matter, including but not limited to restraining the Associate or Member of the Licensee's Group from continuing with the act or refraining from carrying on with that member or Associate such commercial activities connected with the Licensee's Businesses as the Commission may determine .

13.2 For the purposes of this Condition a person is an Associate of the Licensee if he is a subsidiary of or another body corporate controlled by it.

### Pre-notification of Changes in Shareholding

- 14.1 Except as specified in Condition 14.2 the Licensee shall notify and obtain the prior approval of the Commission in respect of any change in the control of any of the shares in the Licensee to which this Condition applies and any such notification shall be given as soon as practicable prior to the proposed change in structure.
- 14.2 The Licensee shall not be obliged to notify and/or obtain the prior approval of the Commission in respect of any such change where the number of such shares the control of which it is proposed to change when aggregated to the number of such shares the control of which has been changed at any time after the granting of this licence (whether or not the change has previously been notified to the Commission in accordance with this Condition) does not exceed 10% of the total number of shares in the Licensee to which this Condition applies.
- 14.3 In particular, the Licensee shall notify the Commission not later than 30 days before the taking effect of any of the arrangements of the description mentioned in Condition 14.4
- 14.4 Those descriptions of arrangements are:
- a) Any arrangement for obtaining a listing of any shares in the Licensee on any Stock Exchange in any part of the world provided that such listing shall not have the effect of vesting greater than 50% (fifty per centum) of the issued voting share capital of the Licensee in a manufacturer or supplier of telecommunications equipment; and
  - b) Any arrangement for dealing in any shares in the Licensee on an unlisted market in Nigeria.
- 14.5 This Condition applies to all shares in the Licensee the holder of which for the time being is entitled to vote on any matter at a general meeting of the Licensee.
- 14.6 Not later than March 1<sup>st</sup> of each year, the Licensee shall deliver to the Commission a report on the current ownership of the Licensee. The report shall contain the following information: i) in the case of an individual owner, the name of that individual; ii) in the case of a partnership as owner, the name of each partner and the interest of each partner; iii) in the case of a company or other organisation as owner, the name, residence, citizenship, and stockholding of every officer, director, trustee, executor, administrator, receiver and member of the organisation,

and of any stockholder holding stock amounting to five (5) per cent or more of the votes of the company.

- 14.7 If, in the Commission's opinion, any change in the Licensee's shareholding structure, (whether or not notified to the Commission pursuant to this Condition), creates or has the potential of creating a monopoly or cross-ownership situation, the Commission shall, subject to specific prevailing legislation and/or regulations, take such steps as it deems necessary to prevent the situation including but not limited to issuance of directives to the Licensee and application of sanctions and/or fines against the Licensee in the event of default.

**Interconnection Arrangements**

- 15.1 If the Licensee receives a request for interconnection from another Operator duly licensed by the Commission, the Licensee shall have an obligation to interconnect its telecommunications system with the other Operator's network in accordance with the principles of neutrality, non-discrimination and equality of access pursuant to terms and conditions negotiated in good faith between them. Technical and commercial arrangements for interconnection are a matter for agreement between the parties involved, subject to the provisions of this Condition.
- 15.2 The Licensee shall be excused from any obligation to negotiate or enter into an interconnection agreement with a requesting Operator if, as determined by the Commission:
- (a) such an agreement is prohibited by law;
  - (b) the Licence issued to the other Operator does not authorise the services for which interconnection is requested;
  - (c) any equipment of the other Operator which interfaces with the network of the Licensee has not been type approved by the Commission
  - (d) the requested interconnection is rendered impossible as a result of technical limitations; or
  - (e) such interconnection would endanger life or safety or result in injury or harm to the Licensee's property or hinder the quality of the services provided by the Licensee.
- 15.3 All interconnection agreements between the Licensee and any other Operator shall be in writing and shall comply with:
- (a) the NCC Act, the Regulations, and the Interconnection Guidelines laid down by the Commission; and
  - (b) the principles of neutrality, transparency, non-discrimination, fair competition, universal coverage, access to information, equality of access and equal terms and conditions.
- 15.4 The Licensee shall file with the Commission all Interconnection Agreement entered into pursuant to Condition 15.1, not later than thirty (30) days from the date of execution of



the Agreement . The Licensee shall furnish to the Commission any additional information that the Commission requires in respect of such Interconnection Agreement and on evaluating the Terms and Conditions and the charges set out in the proposed Interconnection Agreement, the Commission may require the Licensee and the interconnecting party to revise the Agreement if interconnection as contemplated therein is inconsistent with the Act, the Regulations and the Interconnection Guidelines laid down by the Commission or the integrity of the public network.

15.5 The Licensee may at any time request the Commission to make a direction in order:

- (a) to specify issues which must be covered in an interconnection agreement;
- (b) to lay down specific conditions to be observed in an interconnection agreements;  
or
- (c) as the case may be, to set time limits within which negotiations are to be completed

15.6 The Licensee shall comply with the requirements of any directions given to the Licensee under the provisions of this Condition and under the regulations and provisions of the Interconnection Guidelines laid down by the Commission.

15.7 Where:

- (a) An operator establishes a prima facie case that the Licensee is unreasonably not performing an obligation which he is required to perform under an interconnection agreement; and
- (b) the Commission considers that:
  - (i) the obligation to interconnection ought to be performed; and
  - (ii) the Operator is not able satisfactorily to enforce the agreement so that the obligation is performed within such time as the Commission considers necessary;

the Commission may require the Licensee to perform the obligation subject to such conditions as are reasonable in the circumstances having regard, in particular, to the terms and conditions which apply and to anything which the Operator may reasonably be expected to do in order to mitigate the effects of the Licensee's failure to perform its obligation.

15.8 Before making a requirement under Condition 15.7, the Commission shall notify the

Licensee of the prima facie case established by the Operator, its conclusions thereon and the direction of the Commission on the matter. The Licensee shall be afforded adequate time in which to make representations.

- 15.9 Where the Licensee has the right under the national legislation to install facilities on, over or within public or private land, or may take advantage of a procedure for the expropriation or use of property, the Commission shall encourage the sharing of such facilities or property or both with other Operators, in particular where essential requirements deprive other Operators of access to viable alternatives. The agreements for collocation or facility sharing are a matter for commercial and technical agreements between the parties concerned. The Commission may intervene to resolve disputes concerning collocation or facility sharing at the request of either party.
- 15.10 Where there is a dispute concerning interconnection between the Licensee and other Operators the Commission shall, at the request of either party, take steps to resolve the dispute within 6 months of the date of the request and shall invite both parties for consultation before taking a decision on the matter. Such decision taken shall be final and conclusive and shall represent what is in the opinion of the Commission, a fair balance between the legitimate interests of both parties. The Directions made pursuant to the decision shall be notified to the parties and published. The parties shall be given a full statement of the reasons on which it is based.

## Condition 16

### Payment of Fees

- 16.1 In consideration for granting the Licensee the right to install, establish, maintain and operate the service, the Licensee shall pay to the Commission in full and without any deductions whatsoever:
- (a) A Licence Fee of N1,000,000.00 (One Million Naira) plus 5% surcharge of (=N=50,000.00) to cover Administrative cost and 5% VAT (=N=50,000.00) only
  - (b) The prescribed fees for other supplementary Authorisations;
  - (c) An Annual operating levy which shall represent two and a half (2.5%) per cent of the Licensee's audited net revenue payable within three months after the end of the first year of the Licence and thereafter quarterly on the Licensee's assessed net revenue within 30 days of the end of such quarter to be adjusted immediately on receipt of the audited annual financial statements of the Licensee.
- 16.2 The most recent audited account or where this not available, the management account or any other account or projection of the Licensee's operations will be admitted for the purpose of calculating the net revenue for the year under consideration and may be duly adjusted when the year's audited account becomes available.
- 16.3 The Commission shall determine the Licence fee payable for and in respect of any renewal of the Licence.
- 16.4 The Licence fee as set out above shall be exclusive of all taxes.

**Requirement to furnish Information to the Commission**

- 17.1 The Licensee shall permit the Commission to inspect and if required to make copies of records, documents and accounts relating to the Licensee’s business for the purpose of enabling the Commission to perform its functions under the Act and the Conditions of this Licence.
- 17.2 Without prejudice to any other provision of this Licence, the Licensee shall furnish or procure to be furnished to the Commission, in such manner and at such times as the Commission may request, such information in the form of documents, accounts, estimates, returns and without prejudice to the generality of the foregoing, such other information as the Commission may reasonably require for the purposes of (i) exercising the functions assigned to it by or under the Act; (ii) verifying that the Licensee is complying with the Licence Conditions; and (iii) keeping statistical records.
- 17.3 In making any such request the Commission 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 the Commission considers the particular report essential for the purposes specified in Condition 17.2.
- 17.4 Without prejudice to the generality of Condition 17.2 and notwithstanding the provisions of Condition 17.3, the Licensee shall, furnish to the Commission within 6 (six) months of its financial year end a “Financial Statement”. If the Commission so requests, there will be appended to the Statement a report from the Licensee’s Auditor stating whether in his opinion the methods of allocation of costs, assets and liabilities are reasonable and whether the Statement has been properly prepared applying those methods and is adequate for the purposes specified in Condition 17.5.
- 17.5 In this Condition, “**Financial Statement**” means an accounting statement the purposes of which are to set out and fairly present the costs (including capital costs), revenue and financial position of the Licensee’s services including a reasonable assessment of the assets employed in and liabilities attributable to those services. The level of desegregation as between services specified in, and in relation to the financial information contained in the Statement shall be of such level as the Commission may require from time to time, after consultation with the Licensee.

- 17.6 From time to time, the Commission may require specific details to be included in the Licensee's Financial Statement for the purpose specified in Condition 17.2 and the Licensee shall promptly comply with such requirements.
- 17.7 In this Condition "documents" includes, without prejudice to the generality thereof, drawings, designs, plans, or specifications.

**Amendment of the Licence**

- 18.1 Subject to Conditions 18.2 and 18.3, the Commission may amend this Licence from time to time where objectively justifiable if the Commission determines that such modification or amendment is necessary to achieve the objectives of the Act or any relevant regulations, or is in the public interest, taking into consideration the reasonable interest and contractual rights of the Licensee.
- 18.2 Before modifying or amending this Licence, the Commission shall give the licensee written notice of its intention to do so together with a draft copy of the intended modification or amendment, and the Licensee may make submissions to the Commission by submitting them to the Commission within the time period specified by the Commission but not less than 30 (thirty) days from the date of the written notice.
- 18.3 After expiry of the notice specified in Condition 18.2, the Commission shall decide on the next course of action, taking into consideration any submission made by the Licensee and the principles of fair competition and equality of treatment, amongst others.
- 18.4 Any modification or amendment to this Licence shall be made in accordance with the procedures laid down for such purposes and shall be published by the Commission.

**Expiration and Renewal of the Licence**

- 19.1 This Licence shall expire and all operating authorizations under it terminate:
- (i) Upon the expiration of the Licence term, unless renewed in accordance with the provisions of this Licence, or
  - (ii) By mutual agreement between the Commission and the Licensee provided that the Commission shall have full discretion to determine whether the Licence fees paid or any portion thereof shall be refunded.
- 19.2 This Licence shall be automatically renewed upon the expiry of the tenure hereof and remain valid for a further period of Five Years unless the Licensee has given written notice to the Commission, at least Twelve Months before the expiry date hereof, of its intention not to renew the Licence.
- 19.3 The automatic renewal of the Licence in the manner provided in Condition 19.2 shall be subject to the payment, within six months before the expiry date of the Licence, of such Licence fees as the Commission shall specify and the fulfilment of all the terms, conditions and provisions of the Licence, Act, WTA and Regulations.

**Revocation**

- 20.1 Notwithstanding any contrary provision in this Licence contained, the Commission may at any time revoke this Licence by Twelve Months' notice in writing given to the Licensee at its registered office where the Licensee is in breach of any of the Conditions attached to this Licence and the breach has not been rectified within 21 days, or such further period as the Commission may specify, after the Commission had notified the Licensee of the breach.
- 20.2 Notwithstanding any contrary provision in this Licence contained, the Commission may at any time revoke this Licence by Three Months notice in writing given to the Licensee at its registered office in any of the following circumstances:
- (a) If the Licensee agrees in writing with the Commission that this Licence be revoked;
  - (b) If the Licensee ceases to carry on its Business for which this Licence is granted;
  - (c) If any amount payable under Condition 16 is unpaid after it became due and remains unpaid for a period of 21 days after the Commission notified the Licensee in writing that the payment is due;
  - (d) If within twelve months of the Effective Date of this Licence, the Licensee has not commenced full operation to the satisfaction of the Commission provided that the Commission would have given a prior notice to the Licensee specifying the details of the Licensee's default and requiring that remedial steps be taken within 30 days of the notice;
  - (e) If the Licensee fails to ensure that its equipment is type approved by the Commission or a body approved by or accredited to the Commission;
  - (f) If the Licensee:
    - (i) is unable to pay its debts,
    - (ii) enters into receivership or liquidation,
    - (iii) takes any action for voluntary winding-up, or dissolution or such action is taken by any other person or enters into any scheme of arrangement (other than in any such case for the purpose of reconstruction or amalgamation) upon terms and within such period as may previously have been approved in writing by the



Commission or if a receiver or trustee is appointed or if any order is made for its compulsory winding –up or dissolution.

- (g) If the Licensee does not fulfill the Network roll out implementation plan as set out in this Licence.
- (h) If the Licensee has made false statements, representations or warranties in applying for the Licence.

20.3 The Licence fees paid in respect of a revoked Licence shall not be refunded in part or whole consequent upon such revocation except at the absolute discretion of the Commission.

## **SCHEDULE 2:**

### **OTHER CONDITIONS OF LICENCE FOR THE PROVISION AND OPERATION OF INTERCONNECT EXCHANGE SERVICES**

#### **Condition 22**

##### **Scope of Operation**

22.1 The Licensee is authorized by this Licence to:

- (a) Install, maintain, and operate Interconnection and Transmission facilities for the conveyance and exchange of voice and data traffic amongst telecommunications network service operators within the borders of Nigeria.
- (b) Transmit voice and data traffic on behalf of Telecommunication Network Service Providers for both local and trunk (national) calls and services.
- (c) Establish Points of Presence in various parts of Nigeria for the purpose of interconnecting with the Network Service Providers.

##### **PROVIDED**

- (1) For Local Services the operation of exchange shall be based on Inter-city transmission capacity where necessary, or cable connection with Local Exchange Operators.
- (11) In the case of Trunk Interconnection/Transit Exchange, the operation shall be based on inter-city transmission capacity etc leased from Long Distance Operators.
- (111) Where capacity is unavailable from third party, the Licensee will be allowed to build its own Transmission Network subject to approval of the Commission upon terms to be determined E.g Metro Optic Fibre Cable.
- (1V) The operation of the exchange shall be in accordance with the Interconnectivity Conditions laid down by the Nigerian Communications Commission.

## Condition 23

### Technical Standards and Specifications

- 23.1 The Licensee's Network shall throughout the term of the Licence conform to the Commission's Technical Specifications. The Licensee shall introduce measures and at all times use its resources to ensure that equipment in its system shall comply with –
- (i) The requirements for electro-magnetic compatibility, and
  - (ii) The requirement for network interface, both as prescribed in accordance with international specifications and by the Commission's standards.
- 23.2 The Licensee shall not deviate from any of these specifications except with the prior written approval of the Commission.
- 23.3 The circuits installed, maintained and used by the Licensee shall throughout the term of the Licence conform to such specifications and standards and ITU-T recommendations as prescribed by the Commission.
- 23.4 Subject to the Commission's periodic directives, the Licensee shall at all times fully comply with the recommendations of the International Telecommunications Union and its associated organisations as they apply to Nigeria from time to time.
- 23.5 Subject to the Commission's contrary directives, the Licensee shall design, construct, maintain and operate the Network in accordance with the statements and representations, if any, made in the application for the Licence.

**Authorizations, Permits and Licences**

- 24.1 The Licensee shall obtain all necessary licences and permits including building permits and other non-telecommunications permits required to build, implement, modify and remove installations and buildings in accordance with relevant applicable Laws and Regulations.

**Approval of Equipment and Sites**

- 25.1 The Licensee shall ensure that all its Network Equipment and Sites are approved by the Commission or a body approved by or accredited to the Commission prior to the commissioning or commercial use (whichever is earlier) of such equipment and shall obtain all necessary compliance certificates in accordance with the relevant Rules, and Regulations.
- 25.2 The Licensee shall further ensure that it complies with the provisions of Condition 25.1 in respect of all new Network Equipment and Sites procured or constructed by it after the Effective Date of this Licence.
- 25.3 Subject to Condition 25.4, the Licensee shall, in respect of all sites for the location or erection of its facilities, ensure that it complies at all times with the Commission's published site specifications and attendant terms and conditions thereto.
- 25.4 Prior to the development of any of its sites howsoever, the Licensee shall ensure that it obtains the prior written approval of the Commission as to the compliance of the site(s) with the Commission's published site specifications.

**Frequency Assignments**

- 26.1 Frequencies used by the Licensee shall conform to the general allocation of frequencies in the ITU Regulations and Assignments by the Commission.
- 26.2 The Service operated by the Licensee shall be operated only on the radio frequencies and frequency bands which the Commission may assign to the Licensee and the Commission may refuse to assign further frequencies or require the Licensee by notice in writing to cease to provide the Service on any frequency previously assigned to the Licensee if *inter alia* in the opinion of the Commission the Licensee is not making efficient use of that frequency.
- 26.3 Transmission link frequencies assigned to the Licensee shall be on a link by link basis and shall not be exclusive to the Licensee.
- 26.4 The Commission may, by giving not less than 12 months' notice in writing to the Licensee, require the Licensee upon such date as may be specified in the notice to cease to operate using the frequency assigned to the Licensee and to use such new frequency from the National Frequency Plan as the Commission may designate.
- 26.5 The microwave frequencies so assigned can only be used to link operator site to the interconnect exchange point.
- 26.6 The Licensee shall pay appropriate fees for all such assigned frequencies.

**Grade of Service**

- 27.1 The Licensee shall ensure that the traffic capacity provided in its network where it accesses a Telecommunications Network Infrastructure shall be dimensioned to guarantee a satisfactory grade of service. The Commission shall determine the grade-of-service threshold that shall be met or exceeded by the Licensee and may periodically revise (and keep the Licensee informed of) such grade-of-service thresholds.
- 27.2 The Licensee shall provide a good, efficient and continuous service that meets grade-of-service thresholds periodically specified by the Commission and in a manner satisfactory to the Commission and shall not reduce the grade of service without the prior written approval of the Commission.
- 27.3 Without prejudice to Conditions 27.1 and 27.2, the Licensee shall ensure that any information it carries over its network is delivered in its original form at the designated termination point.
- 27.4 In the event of default by the Licensee in regard to any of the provisions of this Condition, the Commission shall, subject to specific prevailing legislation and/or Regulations, take such steps as it deems necessary to remedy the situation including but not limited to issuance of directives to the Licensee and application of sanctions and/or fines against the Licensee.
- 27.5 The Licensee shall within 90 days from the Effective Date of this Licence install equipment and devices that meet ITU-T standards for measuring the grade of services.
- 27.6 The Licensee shall permit the Commission to inspect the Licensee's equipment and devices for measuring service grade, to inspect the Licensee's files, records and other data relating to the measuring of service grade and to request the Licensee to submit such reports, statistics and other data and to conduct such measurements as the Commission deems necessary in order to determine compliance with the Act, WTA, the Regulations and this Licence.
- 27.7 If the Commission has reason to believe that measuring equipment devices or methods are not installed or do not meet the standards aforesaid, the Commission shall instruct the Licensee to install or upgrade the equipment and devices to the required standards within 30 days from the date of such instruction. If the Licensee fails to install or upgrade the equipment and the devices to the required standards within the period specified above, the Licensee shall be subject to a fine to be determined by the Commission..

## **Condition 28**

### **Location of Points of Presence**

- 28.1 Not later than 90 days from the Effective Date of this Licence, the Licensee shall provide the Commission with details of its Points of Presence as well as its routing arrangements.
- 28.2 The Licensee shall not change the locations of its Points of Presence or the routing arrangements referred to in Condition 29.1 above without the prior written consent of the Commission.
- 28.3 The Commission shall communicate to the Licensee its decision on the application within 45 (forty five) days from the date of receipt of the said application. A failure by the Commission to communicate its decision to the Licensee within the timeline herein specified shall be deemed to constitute an approval of the said application and the Licensee shall be at liberty upon the expiration of the said timeline change the locations of its Points of Presence.



## Condition 29

### Operational Specifications

- 29.1 Subject to Condition 29.2, the Licensee shall not intentionally interrupt operation of its network or any portion thereof in the normal course of business and shall not suspend any aspect of the provision of the Service without obtaining the prior written consent of the Commission and giving reasonable notice to the Customers.
- 29.2 The requirements of Condition 29.1 shall not apply if the interruption or suspension is due to an emergency or to Force Majeure under Condition 21 of this Licence or to other circumstances, in the Commission's opinion, beyond the Licensee's control.
- 29.3 The switch network must be capable of handling multiple protocols including time division and packet switch protocols (IP)
- 29.4 The Licensees equipment must be transparent to the transmission protocol used by interconnecting partners. Protocol conversion can be at both input and output as long as this transparency is maintained.
- 29.5 Transmission delay through the network must be within the limits specified by the Commission from time to time. Bit error rate degradation must be within limits specified by the Commission.
- 29.6 The Licensee shall not tap, decode or have any form of access to data streams passing through its transmission or switching facilities except such as are necessary to observe the nature of the signal for the purpose of monitoring signal quality.
- 29.7 The Licensee shall not permit any third party other than the Commission or a person duly authorised by the Commission to have access to data streams or information passing through its network.

## Condition 30

### Billing and Metering Arrangements

- 30.1 The Licensee shall on request provide each of its Customers at no additional cost, with a Bill of Charges
- 30.2 The Licensee shall not render any bill in respect of any description of telecommunications services provided by the Licensee unless every amount (other than an indication of unit charge) stated in that bill is no higher than an amount which represents the true extent of any such Service actually provided by the Licensee to the customer in question.
- 30.3 Without prejudice to the generality of Condition 30.2 the Licensee shall at all times maintain in operation such a Billing Process as facilitates compliance by the Licensee with, and is calculated to prevent contravention by it of, that paragraph.
- 30.4 The Licensee shall keep such records as may be necessary or as may be determined by the Commission to be necessary for the purpose of satisfying the Commission that the Billing Process has the characteristics required by Condition 30.3.
- 30.5 The Licensee shall install and use metering and billing systems that are reliable and accurately record the extent of the Service provided to its Customers and any other Operator.
- 30.6 The Licensee shall set out in any account or invoice sent to any such operator or Customer the true extent of the Service actually provided to that Operator or Customer in the period to which the account or invoice relates.
- 30.7 The Licensee shall:
- (i) Upon the written request of the Commission and within 14 (fourteen) days of such request, conduct tests on the metering equipment to assess its accuracy, reliability, and conformity to the technical standards as may be specified by the Commission. The Licensee shall submit the test results to the Commission within 14 days after the date of the test or such other longer period as the Commission may determine;
  - (ii) Permit the Commission to inspect its metering and billing system at any time and to cooperate in facilitating any such inspection; and

- (iii) Alter, adapt, modify or improve such system in accordance with any reasonable requirement which the Commission may specify in writing from time to time, for the purposes indicated in Conditions 30.1, 30.2, 30.3 and 30.5.
- 30.7 Pursuant to Condition 30.7(ii), the Commission shall inspect the metering and billing systems at reasonable times and on giving reasonable notice to the Licensee except in any circumstance where giving such notice would frustrate the purpose of the inspection.
- 30.8 Before specifying any alteration, adaptation, modification or improvement on any metering or billing system, the Commission shall consult the Licensee and take full account of any representation made by the Licensee.
- 30.9 The billing system shall be capable of providing per second billing or larger units of time.
- 30.10 The billing shall have facilities to provide itemized billing on per call, per channel or per E1 basis, at no extra cost to the customer when demanded.
- 30.11 The billing system must have capability to provide billing based on time or volume of data transmitted (i.e. per kilobyte or megabyte)

**Service Agreement**

- 31.1 Within 90 (ninety) days from the Effective Date of this Licence, the Licensee shall submit to the Commission for its approval a form of Service Agreement (the “**Service Agreement**”) containing the terms and conditions for the provision of Services to prospective Customers. Within 30 (thirty) days of receipt of the Service Agreement, the Commission shall either (i) approve such Agreement in the event that the Commission determines that such Agreement adequately protects the interests of the Customers or (ii) notify the Licensee of its disapproval thereof. The Commission shall not unnecessarily withhold its approval of the Service Agreement. In the event that the Commission disapproves of the Service Agreement, such notice shall include specific recommendations for the improvement thereof. Within 15 (fifteen) days of receipt of the Commission’s notice of disapproval, the Licensee shall submit a revised Service Agreement incorporating the Commission’s specific recommendations.
- 31.2 Promptly upon receipt of the Commission’s approval of the Service Agreement, the Licensee shall notify all its Customers of its terms and conditions and shall thereafter provide Service based upon such Service Agreement.
- 31.3 The Licensee may from time to time modify the Service Agreement by giving not less than 30 (thirty) days prior written notice to the Commission and the Customers. If the Commission has not objected to the proposed modification within such 30 (thirty) day period, the modification shall then become effective as set forth in such notice.
- 31.4 The Licensee shall publish the Service Agreements and any amendments thereto in the manner and at the times specified in Conditions 3.6 and 3.7.

**Limitation of Liabilities**

- 32.1 Subject to Condition 32.2 and notwithstanding any contrary provision of this Licence, the Commission shall not be liable in contract, tort or otherwise to the Licensee or any third party whomsoever for any indirect, contingent or consequential loss or damage or for loss of profit, business, revenue, goodwill, opportunities or anticipated savings, cost of capital, cost of substitute service, facilities or products, or down-time costs, consequent upon the issuance, actualization or any Condition of this Licence or any act taken by the Commission in connection with or pursuant to this Licence or any other matter related howsoever thereto.
- 32.2 The Commission's total liability, cumulative or otherwise, under this Licence and in regard to any matter related to the Licence shall at all times be limited to the actual cumulative amount paid at any given time to the Commission by the Licensee pursuant to this Licence.

**Licence Limitations**

- 33.1 This Licence does not permit the Licensee to operate as a Telecommunications Network Service Provider.
- 33.2 The switching function of the Licensee under this Licence shall be limited to the provision of Interconnect Exchange.
- 33.3 Without prejudice to the generality of Condition 33.1, the Licensee is prohibited from providing Fixed or Mobile Telephony services to last mile subscribers/end users.
- 33.4 The operation of the exchange shall not include provision of Internet Services.
- 33.5 The Licensee is prohibited from providing or operating any other Telecommunications service:
  - (a) Which is not expressly included within the scope of this Licence or,
  - (b) For which a separate Licence has not been issued by the Commission.

## Condition 34

### Penalties for Non-compliance generally

- 34.1 Subject to Condition 34.2 but without prejudice to any other provision of this Condition and except where specific penalties have been prescribed hereunder, the Commission shall have the discretion to impose such suitable penalties as the Act or Regulations permit on the Licensee consequent upon the Licensee's breach of or failure to comply with any of the provisions of this Licence.
- 34.2 Before imposing the penalties that are stipulated by Condition 34.1, the Commission shall
- (a) Notify the Licensee of its specific breach of the Licence terms and demand that the breach or non-compliance be rectified within a specified period failing which the penalty shall be imposed on it; and
  - (b) Take into consideration any written submissions that the Licensee may make to the Commission on the circumstances of its breach with the specific Licence terms.