

**SECTION 23 NOTICE BY
THE INFORMATION AND COMMUNICATIONS TECHNOLOGY AUTHORITY**

**TYPES OF INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)
NETWORKS AND SERVICES WHICH REQUIRE TO BE LICENSED BY THE
AUTHORITY**

7th December 2004

Licensing provisions

1. This Notice is issued by the Information and Communications Technology Authority (“the Authority”) in accordance with section 23(2) of the Information and Communications Technology Authority Law, (2004 Revision) (“the Law”) that requires the Authority to publish in the Gazette a notice specifying which types of Information and Communications Technology (ICT) Networks and Services are required to be licensed.
2. This Notice introduces two new Licence Types in response to requests from the industry. These are:
 - a. In Table 6, a Type 2 (Fall-back International Voice and Data Communications) Service Licence which permits a Licensee to offer international voice and data communications to the Licensee’s business clients solely for the use in emergency situations. An emergency is defined as instances where the client’s normal communications service provider(s) is unable to provide its services for a period of such duration that there is a material impact upon the transaction of the client’s normal business (e.g. as the result of damage following a hurricane) and the Authority has acknowledged in writing the existence of such conditions. An applicant for a Type 2 Licence must already hold, or must apply simultaneously for, a Type E2 (International Satellite) Network Licence.
 - b. In new Table 8, a Type 200 Class Licence that permits the Class Licensee to put in place an international satellite Network and associated Services, for the Licensee’s exclusive use in emergency situations, so as to provide itself with fall-back international voice and data communications. An emergency is defined as instances where the Class Licensee’s normal communications service provider(s) is unable to provide its services for a period of such duration that there is a material impact upon the transaction of the client’s normal business (e.g. as the result of damage following a hurricane) and the Authority has acknowledged in writing the existence of such conditions.
3. This Notice comes into force immediately and supersedes all previously published versions.

Types of ICT Networks and ICT Services which are required to be licensed

4. The Authority has determined that all ICT Networks are required to be licensed by the Authority with the exception of :

- a. Fixed Communication Systems used solely for a Person's own use; or
- b. Free Space Communication Systems which are used solely for a Person's own use and are operated within the spectrum range and the power limitations to be determined and published in the Gazette after consultation by the Authority;

5. For greater certainty, the types of ICT Networks that require a Licence include :

- a. public switched telephone networks, whether fixed, wireless or cellular, using either packet or circuit based switching or routing techniques;
- b. Communication Systems used for Interconnection;
- c. cable networks, cables and cable landing points, whether undersea or on land, which originate on, or terminate on, or traverse the territory of the Cayman Islands;
- d. Communication Systems incorporating orbiting or geo-stationary satellites, including Very Small Aperture Transmission (VSAT) satellites, which are used for the transmission of Messages;
- e. dark fibre or other unlit fibre; and
- f. all Free Space Communication Systems other than those defined at paragraph 3b above.

6. The Authority has also determined that all ICT Services that use an ICT Network to provide services to the public, whether or not for a fee or for commercial profit, are required to be licensed, except for computer back-up and disaster recovery services located in Grand Cayman and Information Security Services specified in Note (d) of Table 6 in this Notice.

7. For greater certainty, the types of ICT Services that require a licence include :

- a. Telephony -
 - i. All forms of wholesale telephony or any other form of supply of Communication System capacity, whether as interconnection services or as airtime, by one ICT Licensee to one or more other ICT Licensees or by an ICT Licensee to Subscribers;
 - ii. All forms of retail telephony involving the transmission to and from Subscribers of signals over Communication Systems, including the domestic and international transmission of voice, data, facsimile, moving image or still image messages, regardless of the method of transmission;
 - iii. All forms of providing (including selling, leasing, renting, gifting etc.) dark or unlit fibre to any Person;
- b. Television services -
 - i. All forms of terrestrial television broadcasting transmitted from a station in the Cayman Islands;
 - ii. All forms of television broadcasting distributed by cable or satellite from a distribution point located in the Cayman Islands;

- iii. The streaming over the Internet of video material that originates in the Cayman Islands;
- c. Sound broadcasting services -
 - i. All forms of sound broadcasting transmitted from a station in the Cayman Islands;
- d. Internet services -
 - i. Internet Service Providers, regardless of the scope or type of services provided;
 - ii. Application Service Providers;
- e. Other services -
 - i. Computer back-up and disaster recovery services, located in Cayman Brac or Little Cayman, which use any form of Communication System except if used solely for a Person's own use; and
 - ii. The supply of directory listings in any medium, format or sequence information whereby the identity of Subscribers may be made public.

Licence applications

8. Applications for new Licences and for the renewal of existing Licences must be made only to the Authority.

9. The Authority will consider applications for ICT Network and ICT Service Licences of the types listed in the following Tables 1 to 8:

Table 1: Major Public ICT Networks

(Licensees of these networks are subject to a royalty fee based upon a percentage of annual gross revenue.)

Type	Description	Comments or explanatory notes
A	Fixed wireline	A wireline network providing access to ICT Service(s) to residential and/or business Subscribers.
B	Fixed wireless	A wireless network (other than Mobile) providing access to ICT Service(s) to residential and/or business Subscribers.
C1	Mobile (cellular) 2G	Mobile networks usually referred to as "second generation" or "2G" and normally operating in the 800, 900, 1800 or 1900 MHz frequency bands.
C2	Mobile (cellular) 2.5G	Mobile networks usually referred to as "two and a half generation" or "2.5G" and normally operating in the 800, 900, 1800 or 1900 MHz frequency bands.
C3	Mobile (cellular) 3G	Mobile networks usually referred to as "third

Type	Description	Comments or explanatory notes
		generation” or “3G” and normally operating in the 1800 to 2200 MHz frequency bands.
D1	Fibre optic cable - Domestic	Whether “lit” or “unlit”.
D2	Fibre optic cable - International	Whether “lit” or “unlit”.
E1	Satellite (incl VSAT) - Domestic	
E2	Satellite (incl VSAT) - International	
F	Broadcast network	As used for “over-the-air” radio and TV broadcasters

Table 2: Radio Stations

(Licensees of these networks are subject to a fixed licence fee, usually annually.)

Type	Description	Comments or explanatory notes
J	Amateur radio station	Radio transmitting and receiving equipment which; (a) is used solely for a Person’s own use; (b) operates on radio frequencies to be specified by the Authority following consultation; and (c) is limited in output power to a level to be specified by the Authority following consultation.
K	Aircraft radio station	For aircraft registered in the Cayman Islands.
L1*	Ship radio station	For vessels of less than 300 gross tons.
L2*	Ship radio station	For vessels of more than 300 gross tons but less than 1600 gross tons.
L3*	Ship radio station	For vessels of greater than 1,600 gross tons.
M	Spacecraft radio station	For spacecraft registered in the Cayman Islands.

* The Authority may, in future, distinguish categories on a basis other than tonnage.

Table 3: Transmitters

(Licensees of these networks are subject to a fixed licence fee per transmitter, usually annually.)

Type	Description	Comments or explanatory notes
N	Ground to air radio	Radio transmitting equipment which is used to communicate from the ground to aircraft on the ground and in the air using standard aviation frequencies.
O	Marine (Coastal) radio	Base station and mobile radios operating on designated maritime frequencies in the coastal waters of the Cayman Islands.
P	Land (Mobile) two-way radio	Base station and mobile radio transmitters (including hand-held) operating on designated frequencies in the Cayman Islands.

Table 4: Spectrum

(Fixed spectrum licence fees are to be paid annually.)

Type	Description	Comments or explanatory notes
S	All transmitters/transponders other than those licensed under Tables 2 or 3, or those otherwise exempted by the Authority.	<p>Each transmission frequency or channel requires an individual Licence. This requirement extends to all use of spectrum whether that use is in connection with a public or private network. For the avoidance of doubt, Licensees of Table 1 are required to obtain the appropriate Type S licences. Only Licensees of Tables 2 or 3 are exempt from the requirement to obtain a Type S licence.</p> <p>Certain types of low power radio equipment may be exempted from any licensing requirement, or may be covered by a Class Licence. The Authority will initiate public consultations in order to arrive at usable definitions, and these definitions will be published in a further Notice in the Gazette.</p>

Table 5: Miscellaneous

(Licensees are subject to a fixed licence fee, usually annually.)

Type	Description	Comments or explanatory notes
U	Radio dealer	A licensed dealer in radio transmitters is exempted from obtaining in advance an import licence for each radio that they import for subsequent resale.
V	Radio Operator	
W	Radio Importation	

Table 6: ICT Services

(Licensees of these services are subject to a royalty fee based upon a percentage of annual gross revenue.)

Type	Description	Comments or explanatory notes
1	Fixed Telephony	Whether utilising fixed wireline or fixed wireless networks. Refer also to paragraph 6a of this Notice for a description of Telephony.
2	Fall-back International Voice and Data Communications	An applicant for a Type 2 Licence must already hold, or must apply simultaneously for, a Type E2 (International Satellite) Network Licence. For further information, see Note (a).
3	Mobile Telephony	
4	Resale of Telephony	Also includes those services sometimes referred to as calling card services.
5	Internet Telephony	Includes Voice over Internet and Voice over Internet Protocol.
6	Public Service Television Broadcasting	Sometimes referred to as “on air” broadcasting. Refer also to paragraph 7b of this Notice.
7	Subscription Television Broadcasting	Sometimes referred to as “cable broadcasting” or “wireless cable broadcasting”. Applicants should note that a Type 7 Licence will not be issued without a Type 6 Licence. In other words, applicants wishing to provide Subscription Television Broadcasting service must also apply to provide Public Service Television Broadcasting service.
8	Sound Broadcasting	Refer to paragraph 6c of this Notice.
9	Internet Service Provider	
10	Information Security Services	Licensing by the Authority is optional at the discretion of the applicant. See Note (b) below.
11	The provision, by lease or	Including, without limitation, providing access to dark or unlit

Type	Description	Comments or explanatory notes
	otherwise, of ICT infrastructure by a Licensee to a third party.	fibre.
12	Retail sale of ICT equipment	A Type 12 Licence is available only to Types 1 or 3 Licensees. All others must obtain an appropriate licence from the Cayman Islands Trade and Business Licensing Board. For consistency with the procedures adopted by the Cayman Islands Trade and Business Licensing Board, a separate Type 12 Licence is required for each retail outlet.
13	The publication of directories derived from ICT subscriber records	Refer to paragraph 6e ii of this Notice.
14	Application Service Provider	

Notes

- (a) This licence permits a Licensee to offer international voice and data communications to the Licensee's business clients solely for use in emergency situations. An emergency is defined as instances where the client's normal communications service provider(s) is unable to provide its services for a period of such duration that there is a material impact upon the transaction of the client's normal business (e.g. as the result of damage following a hurricane) and the Authority has acknowledged in writing the existence of such conditions.
- (b) Information Security Services may be licensed by the Authority on application from Persons who wish to be so licensed, but such licensing is not mandatory. Where a Person wishing to provide Information Security Services makes application to the Authority for an ICT Service Licence, the Authority will process that application in the same manner and to the same standards as it would process applications for any other type of ICT Service Licence, and the Authority may decline to award such Licence.

Table 7: Service Licences issued by the Governor in Cabinet under Section 23(3) of the Law, for the development of the Sister Islands

Type	Description	Notes
100	The provision of off-site ICT disaster recovery and associated services.	Applicable only to Licensees operating within and from Cayman Brac or Little Cayman, and as further defined in their Licences.

Table 8: Class Licence issued by the Information and Communications Technology Authority under Section 23(2) of the Law, for Fall-back International Voice and Data Communications

Type	Description	Notes
200	permits a Class Licensee to put in place an international satellite Network and associated Services, for the Licensee's exclusive use in emergency situations, so as to provide itself with fall-back international voice and data communications.	<p>An emergency is defined as instances where the Class Licensee's normal communications service provider(s) is unable to provide its services for a period of such duration that there is a material impact upon the transaction of the client's normal business (e.g. as the result of damage following a hurricane) and the Authority has acknowledged in writing the existence of such conditions. Testing restrictions are noted in the actual licence.</p> <p>The rights and obligations normally associated with Licences for Public ICT Networks (Table 2) or Services (Table 6), such as infrastructure sharing and wholesale rates, are not applicable to Type 200 Class Licenses, unless otherwise determined by the Authority.</p>

DAVID A ARCHBOLD

Managing Director
Information & Communications Technology Authority

APPENDIX TO NOTICE

Definitions

1. The following terms have the same definition as those provided in the Law :

Authority
ICT
ICT Network
ICT Service
Interconnection
Internet Access
Licence
Licensee
Message
Person
Subscriber

2. In this Notice :

“Communication System” means facilities, equipment or components which are used for the emission, transmission or reception of Messages by any wire, cable, radio, wireless, microwave, laser, satellite, optical (including all free space optical techniques) or other electromagnetic system, or by any similar technical system, provided the facilities, equipment or components are located in the Cayman Islands, or operated from ships, aircraft or spacecraft registered or operating in the Cayman Islands. For the purposes of this Notice, the term “Communication System” includes a whole Communication System, equipment or facilities forming part of a Communication System, or an individual component of a Communication System.

“Free Space Radiation” means the transmission of a Message without the use of a conductor, and includes transmission through the use of: any part of the electromagnetic spectrum; radiation or other free space optic techniques; radio; microwave; wireless techniques; infra-red techniques; laser; or satellite.

“Free Space Communication System” means a Communication System that uses Free Space Radiation.

“Fixed Communication System” means any Communication System that does not use Free Space Radiation.

“Information Security Services” has the meaning given in the Electronic Transactions Law, 2000.

“Infrastructure” has the meaning prescribed by the Governor in Cabinet under the provisions of section 48 of the Law.

“Internet Service Provider” means a Person who provides Internet Access to Subscribers.

“Notice” means this notice issued under Section 23(2) of the ICTA Law.