

Regulatory Notice

THE UTILITY REGULATION AND COMPETITION OFFICE

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

20th November 2017

Licensing Provisions

1. This Notice is issued by the Utility Regulation and Competition Office (“the Office”) in accordance with section 23(2) of the Information and Communications Technology Law, (2017 Revision) (“the Law”) that requires the Office 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 comes into force immediately and supersedes all previously published versions.

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

3. The Office has determined that all ICT Networks are required to be licensed by the Office with the exception of:
 - a. Fixed (Wireline) Communication Systems used solely for a Person’s own non-commercial use.
 - b. Free Space (Wireless) Communication Systems which are:
 - (i) used solely for a Person’s own use; and
 - (ii) operated within the ISM spectrum bands set out in Annex 2 of this Notice;
 - (iii) fully qualify as Certified Equipment; and
 - (iv) are utilized in accordance with the operating parameters and specifications for which they have been specified.
4. For clarity, the types of ICT Networks that require a Licence include, but are not limited to:
 - 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.
5. The Office 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-
 - (a) computer back-up and disaster recovery services located in Grand Cayman;

(b) Information Security Services specified in Note (b) of Table 6 in this Notice.

6. For clarity, the types of ICT Services that require a licence include, but are not limited to:

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 programming broadcast from a station in the Cayman Islands;
- ii. All forms of television programming distributed by cable, satellite, or other ICT Network (including the Internet) by any person within the Cayman Islands to any person within the Cayman Islands.;
- iii. Video on demand services - The provision or facilitation by way of subscription of streaming video material in the Cayman Islands in response to a request from a subscriber, or for subsequent resale to a subscriber, except where the video stream is delivered over the public Internet, or the video material is television programming.

c. Sound broadcasting services -

All forms of sound broadcasting transmitted from a station in the Cayman Islands.

This includes occasional limited range broadcasts according to the policies and procedures as set out by the Office, and may be set out in any open or class licences issued by the Office.

d. Internet services -

- i. Internet Service Providers, regardless of the scope or type of services provided with the exception of:
 - a) Persons holding valid Accommodation License issued under the Tourism Law or equivalent, who are considered to be in good standing by the issuing body, who do not provide Services outside of the premises covered by the Accommodation Licence and who maintain minimum security standards as defined by the Office from time to time; and
 - b) Internet cafes or WiFi hotspots providing access to the internet to persons, where there is no fee associated with obtaining such access, and who maintain minimum security standards as defined by the Office from time to time.

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 of information utilising a licensee's Subscriber Data whereby the identity of Subscribers may be made public.
- iii. Internet Peering Services

Licence applications

7. The Office will currently consider applications for ICT Network and ICT Service Licences of the types

listed in the following Tables 1 to 9:

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.
C	Mobile (cellular)	Mobile networks operating according to international standards known as 2G, 3G, 4G, LTE, 5G, or any other bands designated as such by the Office.
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	Broadcasts	As used for “over-the-air” radio and TV broadcasters. This includes occasional limited range broadcasts according to the related policies and procedures as set out by the Office and may be set out in any open or class licences issued by the Office
G	Internet Exchange Point (IXP)	Any infrastructure operated by a Type 16 Service licensee which facilitates or allows Internet Service Providers to exchange traffic between networks, by means of mutual peering agreements. See Note (c) below

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 Office following consultation; and (c) is limited in output power to a level to be specified by the Office 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 with no MMSI number.
L2	Ship radio station	For vessels of less than 300 gross tons requiring an MMSI number.
L3	Ship radio station	For vessels of more than 300 gross tons but less than 1600 gross tons.
L4	Ship radio station	For vessels of greater than 1,600 gross tons.
L5	Ship radio station	Coastal vessel
M	Spacecraft radio station	For spacecraft registered in the Cayman Islands.

Table 3: Transmitters

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

Type	Description	Comments or explanatory notes
N	Ground to air radio	Radio transmitting equipment used to communicate from the ground to aircraft on the ground and in the air using aviation frequencies.
O	Marine (Coastal) radio	Base station 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.
Q	Wireless Utilities Metering	Base station and wireless metering equipment at the end-users' premises.

Table 4: Spectrum

(Fixed spectrum license 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 Office.	Each transmission frequency or channel is required to be licensed. This requirement extends to most uses 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. In addition, certain types of low power radio equipment may be exempted from any licensing requirement, or may be covered by a class licence, if operated in the ISM bands set out in Annex 2.

Table 5: Miscellaneous

(Licensees are subject to a fixed license 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	Voice over the Public Internet (not the use of Voice over Internet Protocol, which falls under Type 1).
6	Public Service Television Broadcasting	
7	Subscription Television Broadcasting	Sometimes referred to as “cable broadcasting” or “wireless cable broadcasting”. Historically, a Type 7 Licence was not issued without a Type 6 Licence. This is no longer a requirement.
8	Sound Broadcasting	Refer to paragraph 6c of this Notice.
9	Internet Service Provider	
10	Information Security Services	Licensing by the Office is optional at the discretion of the applicant. See Note (b) below.
11	The provision, by lease or otherwise, of ICT infrastructure other than dark fibre to a Licensee.	Includes buried infrastructure such as ducts, overhead infrastructure such as poles, and other structures such as towers, buildings, and similar.
11a	The provision, by lease or otherwise, of dark fibre to a Licensee.	
12	Retail sale of ICT equipment	A Type 12 Licence is available only to Types 1, 3 or 5 Licensees. All others must obtain an appropriate licence from the Cayman Islands Trade and Business Licensing Board. For consistency with the procedures adopted by that Board.
13	Subscriber Record Directory Service	The publication of directories derived directly from ICT subscriber records Refer to paragraph 6e ii of this Notice.
14	Application Service Provider	

15	Resale of Internet Service	Subject to the exemptions listed in paragraphs 6 d (i)(a) and(b). To be considered compliant Reseller must implement minimum security standards to be defined from time to time by the Office.
16	Internet Peering Service Provider	See Note (c) below.

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 Office has acknowledged in writing the existence of such conditions.

(b) Information Security Services may be licensed by the Office 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 Office for an ICT Service Licence, the Office 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 Office may decline to award such Licence.

(c) This Licence will not be issued to or held by a person holding, or affiliated with a person holding, a Type 5 or Type 9 Service 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 Office under Section 23(2) of the Law, for Fall-back International Voice and Data Communications

Type	Description	Notes
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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.	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 Office has acknowledged in writing the existence of such conditions. Testing restrictions are noted in the actual licence. 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 Office.
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Table 9: Occasional or Experimental ICT Services or Networks

Type	Description	Notes
A1	Occasional or Experimental Network	Deployment of any licensable ICT infrastructure for temporary public use associated with research and development or educational purposes.
A2	Occasional or Experimental Service	Provision of any licensable ICT Service for temporary public use associated with research and development or educational purposes.

J. PAUL. MORGAN
Chief Executive Officer
Utility Regulation and Competition Office

ANNEX 1

Definitions

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

Office

ICT

ICT Network

ICT Service

Interconnection

Internet Access

Licence

Licensee

Message

Person

Subscriber

2. In this Notice:

“Certification Bodies” means certification bodies so designated by the European Commission and/or certification bodies accredited by the National Institute of Standards and Technology in accordance with the rules of the United States Federal Communications Commission.

“Certified Equipment” means either apparatus or an assembly of various apparatus designed for interoperability either individually as a system, which has been approved by Certification Bodies recognised by the International Telecommunications Union, and the Office.

“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.

“ISM” Industrial, Scientific and Medical Radio Bands.

“Information Security Services” has the meaning given in the Electronic Transactions Law (2003 Revision).

“Infrastructure” has the meanings and usages associated with it as set out under the Information Communications Technology Law (2017 Revision) and the Utility Regulation and Competition Law, 2016.

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

“Notice” means this notice issued under Section 23(2) of the Information and Communications Technology Law (2017 Revision).

ANNEX 2

Industrial Scientific Medical Spectrum Bands

The following bands:	
6 765 - 6 795 kHz	(centre frequency 6 780 kHz),
13 553 - 13 567 kHz	(centre frequency 13 560 kHz),
26 957 - 27 283 kHz	(centre frequency 27 120 kHz),
40.66 - 40.70 MHz	(centre frequency 40.68 MHz),
2 400 - 2 500 MHz	(centre frequency 2 450 MHz),
433.05 - 434.79 MHz	(centre frequency 433.92 MHz)
5 725 - 5 875 MHz	(centre frequency 5 800 MHz),
902 - 928 MHz	(centre frequency 915 MHz),
61 - 61.5 GHz	(centre frequency 61.25 GHz),
24 - 24.25 GHz	(centre frequency 24.125 GHz)
122 - 123 GHz	(centre frequency 122.5 GHz),
244 - 246 GHz	(centre frequency 245 GHz)