

ICT 2019 – 1 – Consultation –
Information and Communications Technology
Proposed Section 23(2) (Regulatory Notice)
and ICT Licensing Template Updates



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A. Introduction

1. The Utility Regulation and Competition Office (the '**Office**' or '**OfReg**') is the independent regulator established by **section 4 (1)** of the *Utility Regulation and Competition Law* (the '**URC Law**') for the electricity, information and communications technology ('**ICT**'), water, wastewater and fuels sectors in the Cayman Islands. The Office also regulates the use of electromagnetic spectrum and manages the .ky Internet domain.
2. Prior to the coming into force of the URC Law and the creation of OfReg on **16 January 2017**, the ICT Sector was regulated by the Information and Communications Technology Authority (the '**Authority**' or '**ICTA**'), which was established in 2002 under the *Information and Communications Technology Authority Law ('ICTA Law')* to, among other things, determine and regulate the ICT services and ICT networks required to be licensed.
3. **Section 23 (2)** of the *Information and Communications Technology Law (2019 Revision)* (the '**ICT Law**')¹ requires the Office to specify, "by notice published in the Gazette", the ICT services and ICT networks which are required to be licensed.
4. The current specified Section 23 (2) Notice² includes the ICT network Licences and ICT services Licences issued in various licences. All such licences are referenced in this consultation document as '**ICT Licences**', being licences issued by the Office to an ICT licensee ('**ICT Licensee**' or '**Licensee**').
5. The first ICTA licence was issued to Cable and Wireless (Cayman Islands) Limited (now trading as Flow) ('**Flow**') on **10 July 2003**. The terms and conditions of that licence were negotiated by Flow, the Cayman Islands Government and the Authority, as part of an agreement to liberalise the ICT sector by removing the monopoly previously granted to Flow.
6. Prior to 2003 when the ICT market was first liberalised, Flow was the sole provider of both domestic and international ICT in the Cayman Islands. Its exclusive contract with the Cayman Islands Government had

¹ Section 23 (2) in the ICT Law is unchanged from the *Information and Communications Technology Authority Law, 2002* and all subsequent revisions.

²<http://www.ofreg.ky/upimages/commonfiles/1511333826Section23Notice20November2017.PDF>

first been granted in 1966, with the most recent version signed in 1991 with a 20-year term (which had not been due to expire until 2011).

7. The Office notes that the terms and conditions of the ICT licences issued to the other ICT Licensees are, in the main, the same as those of that first ICT Licence issued to Flow on 10 July 2003.
8. The Office considers that the wider ICT sector, including in this context the telecommunications sector, has changed materially since Flow was licensed in 2003, not least because of the changing technology and innovation in the ICT industries. Therefore, the Office considers that it is appropriate to update the terms and conditions of the **Section 23(2) Regulatory Notice (“Regulatory Notice”)** and **ICT licence template** respectively published and issued to the ICT Licensees, to ensure that the ICT licensing regime and Licences remain fit for purpose.
9. The increased demand for, and advancements in communication and related technologies, coupled with national objectives, requires that related regulatory frameworks remain current. To this end, timely, efficient and responsive updates to licensing framework are required to facilitate the continued development and deployment of appropriate, established and innovative communication technologies in the form of Services and Facilities.
10. The purpose of this consultation paper is to seek the views of operators, the general public, and other interested parties, regarding the draft amendments to the ICT licensing framework established by section 23(2) of the Information and Communication Technology (ICT) Law and published in the Gazette and to also seek their views as well on the updates to the ICT Licence template.
11. Consequently, this Consultation is, pursuant among other things to **section 7** of the URC Law so far as necessary, to set out in the Office’s draft administrative determination the proposed amendments to be made to the ICT Regulatory Notice and ICT licence template and allow persons a reasonable opportunity to comment on that draft.

B. Legal Framework

12. In making this consultation document, the Office is guided by its statutory remit, in particular as set out in the URC Law and ICT Law, each where applicable. The Office notes in this regard the following provisions in particular.
13. **Section 6** of the URC Law states in part:

- (1) *The principal functions of the Office, in the markets and sectors for which it has responsibility, are –*
- (c) *to protect the short and long term interests of consumers in relation to utility services and in so doing –*
- (i) *supervise, monitor, and regulate any sectoral provider, in accordance with this Law, the regulations and sectoral legislation and any general policies made by Cabinet in writing;*
- (ii) *ensure that utility services are satisfactory and efficient and that charges imposed in respect of utility services are reasonable and reflect efficient costs of providing the services;*
 [...]
- (2) *In performing its functions under this Law or any other Law, the Office may – [...]*
- (d) *make administrative determinations, decisions, orders and regulations;*
 [...]
- (j) *grant, modify and revoke authorizations;*
- (k) *collect from authorisation holders such information as the Office considers necessary for any one or more of the following purposes –*
- (i) *identifying the geographic position and nature of critical national infrastructure;*
- (ii) *enabling the security and continuity of services over critical national infrastructure; and*
- (iii) *any other prescribed purpose;*
 [...]
- (n) *issue, suspend, vary or revoke licences, permits and exemptions;*
 [...]
- (r) *take such action as it considers necessary to ensure the continuity and reliability of operations of critical national infrastructure;*
- (s) *allocate finite resources used by sectoral providers to provide covered services;*
- (t) *establish technical standards for the provision of covered services;*
 [...]
- (v) *establish and enforce quality of service standards applicable to covered services;*

- (w) *take such action as the Office considers necessary to protect the health and safety of the public in relation to covered services;*
[...]
- (y) *define relevant markets, assess the competitiveness of relevant markets and identify sectoral providers that have significant market power in such markets;*
- (z) *adopt remedies to deter anti-competitive conduct by sectoral providers in any relevant market;*
[...]
- (dd) *conduct public consultations;*
[...]

14. **Section 7** of the URC Law states in part:

(1) *Prior to issuing an administrative determination which, in the reasonable opinion of the Office, is of public significance, and subject to specific procedures under sectoral legislation, the Office shall –*

- (a) *issue the proposed determination in the form of a draft administrative determination;*
- (b) *allow persons with sufficient interest or who are likely to be affected a reasonable opportunity to comment on the draft administrative determination; and*
- (c) *give due consideration to those comments with a view to determining what administrative determination (if any) should be issued.*

[...]

(4) *Where the Office intends to issue an administrative determination, the Office shall –*

- (a) *give written notice of that intention, to any person with sufficient interest or likely to be affected by the proposed determination; and*
- (b) *afford that person an opportunity to make written representations to show cause why the Office ought not to make such a determination.*

15. **Section 9** of the ICT Law states in part:

(1) *Subject to this Law, the Office has power to do all things necessary or convenient to be done for or in connection with the performance of its functions under this Law.*

(2) *For the purposes of this section, the Office shall -*

[...]

- (c) *issue licences authorising the use of specified portions of the electromagnetic spectrum, including those used on any ship, aircraft, vessel or other floating or airborne contrivance or spacecraft registered in the Islands; and*
 - (d) *institute procedures for ensuring the compliance by licensees with any obligations regarding the use of the electromagnetic spectrum,*
- (3) *Without prejudice to subsections (1) and (2), the principal functions of the Office are-*

[...]

- (ba) *to encourage the maintenance of a sufficient plurality of providers of different television and radio services;*
- (bb) *to promote the application, in case of all television and radio services, of standards that provide adequate protection to members of the public from the inclusion of offensive or harmful material in such services;*

[...]

- (e) *to license and regulate ICT services and ICT networks as specified in this Law and the Electronic Transactions Law (2003 Revision);*

[...]

- (ha) *to promote the proper functioning of the critical ICT infrastructure;*
- (hb) *to set up, manage and control the Cayman Islands cyber incident response team whose role it is to promote and enhance the security and resilience of the critical ICT infrastructure, and maintain an effective, efficient and innovative Internet environment;*

- (hc) *to develop and maintain cyber security strategies that enhance and support the security and resilience of national and critical ICT infrastructure towards increased economic prosperity, safe and secure business and innovation;*

[...]

16. **Section 23** of the ICT Law states in part:

- (1) *The Office may grant licences in accordance with this [ICT Law].*
- (2) *Subject to subsections (3) and (3A), the Office, by notice published in the Gazette, shall specify the ICT services and ICT networks that are required to be licensed.*

[...]

(6) **A licence may specify-**

- (a) *the operations which the licensee may undertake under that licence; and*
- (b) **the conditions to which the licensee is subject, including but not limited to pricing, service standards, Universal Service provision, infrastructure sharing, interconnection and spectrum utilisation.** [Emphasis added]

17. **Section 26** of the ICT Law states:

- (1) *A person who wishes to apply for a licence or the renewal of a licence shall, in accordance with a procedure determined by the Office submit an application for consideration by the Office, and the application shall be in the prescribed form and accompanied by such fees as may be determined by the Office.*
- (2) *The Office may, where necessary, before granting or renewing a licence under this section, take into account the [matters as listed therein];*

18. **Section 28** of the ICT Law states:

A licence –

- (a) *shall be for the period specified in the licence and shall not be granted for a period longer than twenty years; [...]*

19. **Section 29** of the ICT Law states:

- (1) *Where an application for renewal of a licence under section 26 is made, the Office may refuse to renew that licence if the licensee is or has engaged in conduct that materially contravenes this Law or any regulations.*
- (2) *Where the Office has reasonable grounds for not renewing a licence under subsection (1), it shall inform the licensee by written notice as soon as practicable of its intention not to renew the licence.*
- (3) *A licensee referred to under subsection (2) shall have thirty days from the date of service of the said notice to make written submissions to the Office in respect of the refusal.*

(4) The Office shall consider any written submissions made under subsection (3), and shall inform the licensee within seven days of the receipt of the submission of its decision on the matter.

20. **Part 5** (sections 55 to 57) of the ICT Law establishes duties and obligations in respect of “*local programming*” (defined in **section 2** of the ICT Law to mean “*sound or television broadcasting content made available in the Islands, by a licensee, without subscription, and includes things such as advertisements and announcements*”).

55. *It shall be the duty of a licensee to ensure that local programming broadcast by the licensee –*

- (a) protects persons under the age of eighteen;*
- (b) includes nothing which –*
 - (i) offends against good taste or decency;*
 - (ii) is likely to encourage or incite to commit a crime or lead to disorder;*
 - (iii) is likely to be offensive to public feelings; and*
 - (iv) is an offensive representation of, or reference to, a person (living or deceased); and*
- (c) presents with due accuracy and impartiality any news broadcast.*

56. *(1) It shall be the duty of the Office to set, review and revise, such standards for the content of such broadcasts as appear to it best calculated to secure the standards specified in section 55.*

(2) The standards set by the Office shall be contained in one or more published codes and, in setting or revising the codes, the Office may consult with such persons as it sees fit.

(3) In setting or revising standards, the Office may consult with such persons as it sees fit and shall have regard to –

- (a) the degree of harm or offence likely to be caused by the inclusion of any particular sort of material in programmes generally, or in programmes of a particular description;*
- (b) the likely size and composition of the potential audience for programmes included in local programming generally, or in local programming of a particular description;*
- (c) the likely expectation of the audience as to the nature of a local programme’s content and the extent to which the nature of that content can be*

- brought to the attention of potential members of the audience; and*
- (d) the likelihood of persons who are unaware of the nature of a local programme's content being unintentionally exposed, by their own actions, to that content.*
- (4) The Office shall ensure that the standards in force under these Regulations include –*
- (a) minimum standards applicable to all local programmes; and*
- (b) such other standards applicable to particular descriptions of local programmes as appear to the Office to be appropriate for securing the standards' objectives.*
57. *(1) A licensee shall retain a recording of the local programming in a viewable and accessible form for a period of twenty-eight days after its broadcast.*
- (2) For the purpose of maintaining supervision of local programming, the Office may make and use recordings of those programmes or any part of them and such use shall be deemed not to infringe any intellectual property rights in that programming.*
- (3) Nothing in this Law shall be construed as requiring the Office to view or listen to local programmes in advance of their being included in local programming services.*
- (4) The Office may issue guidelines as to the duties of licensees under sections 55, 56 and subsection (1) of this section.*

C. Proposed Updates to the ICT Licence Template & Section 23(2) Regulatory Notice

C.1 Introduction

21. The Office is proposing a number of modifications to the existing Regulatory Notice and to the existing ICT licence templates which the Office considers are in the public interest, the reasons for which are summarised herein.

22. The licensing framework Regulatory Notice proposed to replace the existing Notice, being consulted on as a draft administrative determination is set out at **ANNEX 1**.
23. The single ICT licence template proposed to replace **existing templates currently issued to licensees**, being consulted on as a draft administrative determination, is as set out at **ANNEX 2**.
24. Generally, minor typographical or contextual amendments which have been proposed to the Regulatory Notice and/or templates are not reflected in the narrative below but are set out in the aforementioned **ANNEXES**. Further, amendments to the Table of Contents have been proposed to reflect the updates and reordering of certain identified Licence Conditions and amendments have been proposed to the Templates to reflect that it is the Office now empowered to grant the ICT licences pursuant to the ICT Law, not the Authority.
25. Additionally, amendments reflect the proposal to refer to individual and aggregate Network elements as “facilities” and consequently reclassify the related licensees and their operations as “Facilities-Based Operators” and “Service Based Operators”, for ICT services.
26. The Office **strongly encourages** respondents to review both **ANNEXES** fully prior to submitting comments to this consultation, or to answering the consultation questions, as the summaries are not intended to be exhaustive.
27. Consequently, each ICT Licensee should, in particular, compare *its* current Licence with the ICT licence template proposed at **ANNEX 2**.
28. Finally, the consultation relates to the amendments the Office is proposing to make to the Templates and is not intended to reopen for consultation the Licence Conditions in those licences which have been agreed to by each Licensee or otherwise imposed.

C.2 Summary of Selected Proposed Changes to the Section 23(2) Regulatory Notice

29. In considering necessary updates/amendments to the Notice, the Office updated the following areas, which it considers to either be a major change in the activities carried out by the Office or having significant impact on sectoral providers or the public. Further to the general advice in C1 above, the Office notes that these do not reflect references to date revisions in Law, all definitions, minor formatting, grammatical or other

minor amendments and encourages all responders to read **Annex1** in full.

Paragraphs 3-7 Sets out the new licensing structure with its various Parts, Licence classifications and notes on licensable facilities and services.

Paragraphs 7-11 Introduces reference to Spectrum assignment and applicability to the various licence categories.

Paragraph 12- Provides reference to the new licensing approach to identify and apply special licensing conditions to areas or “Special Zones” where it is reasonable to do in the public’s interest, and to promote innovation and development.

Part I “Facilities and Services Licences” (previously Tables 1 and 6), sets out an updated list networks “facilities” and services considered licensable by the Office. The Office proposes to refer to network licensees and service licensees as Facilities-Based Operators (“FBO”) and Service-Based Operators (“SBO”) respectively. This part also establishes the FBO “Niche” operator licence available to narrow scope ICT operations. Policy guidance on FBO and SBO operations in annex to the Regulatory Notice.

Part II “Radiocommunication Stations and Transmitters” (previously Tables 2 and 3) remains largely unchanged.

Table 5 “Miscellaneous” has been removed as the Office does not consider it necessary to licence the activity listed therein.

Part III “Special Authorisations and Class Licence” (Previously Tables 7, 8, 9), together highlight the Office’s approach to lowering the regulatory burden for certain activity while still maintaining oversight so to protect consumers. The Temporary and Experimental categories allow for increased innovation and development of ICT Facilities and Services.

C.3 Summary of Selected Proposed Changes to the Licensing Template

30. While many of the proposed changes set out are not material in substance, and are intended to remove obsolete references, the Office considers that, in addition to those amendments and updates, there are several sets of proposed changes to be described in further detail.

A) *Universal Service, Significant Market Power, Content Standards, Local Content*

31. The ICT Law and the URC Law give the Office the power to set Licence Conditions relating to, among others: (a) universal service³, (b) significant market power⁴, (c) content standards⁵, and (d) local content obligations.⁶
32. The Office has not set Licence Conditions for significant market power or content standards, and the Office considers it appropriate to include in the ICT licence template conditions that provide for the Office to establish such obligations pursuant to the relevant Law:
- a. **Condition 17 and Annex 3B (Significant Market Power);** and,
 - b. **Condition 25 and Annex 3C (Content Standards).**
33. While the Office notes in this regard that the **Templates** already contain certain conditions or annexes applicable to universal service, the Office considers it appropriate to make such conditions and annexes clearer in the ICT licence template as to what is intended and proposes:
- a. **Condition 16 and Annex 3A (Universal Service).**
34. In addition, the Office also considers it appropriate to include the current content obligation at **Condition 26 and Annex 3D (Local Content)**, such Condition sets out the content obligations that are already included as part some Licences.
35. In addition, the Office has included in the proposed Local Content Condition:
- a clarification that the ICT service to which the obligation applies is the Licensee's *subscription television/video service* (previously, the applicable condition was detailed as part of the Type 6 *public service television broadcasting service*, the Type 6 service being

³ Including Sections 59 to 64 ICT Law.

⁴ Including Sections 44 to 45 URC Law.

⁵ Including Sections 55 to 57 ICT Law.

⁶ Including Section 6 URC Law and Section 9 ICT Law.

an ICT Service that had to be provided as part of the Type 7 subscription television broadcasting service);⁷

- a clarification that “*broadcast technology*” is a reference to such services being broadcast “*free-to-air*” (noting that services are ‘broadcast’ over wireline as well);
- the definition of “*Public Television service*” to be renamed as a reference to “*Local Content*”; and,
- that Local Content refers to good quality, Locally-produced content (“*Local*” meaning in this context the Cayman Islands).

B) Information Services (Condition 9)

36. The URC Law states at **section 6 (1) (c)** that the principal functions of the Office include protecting the short- and long-term interests of consumers in relation to ICT services. In this regard, the Office considers it appropriate to set out what information “*Information Services*” provided by Licensees should include.
37. The Office considers that an important consumer protection measure as envisaged by **section 6 (1) (c)** above is for consumers to know what ICT service they are purchasing from a Licensee, the prices for that service, and the main limitations of that service - which the Office considers is reasonable information a Licensee should already be providing its subscribers.
38. Therefore, the Office proposes the inclusion of the following general information provision requirements:
 - a. the ICT services provided, including in particular whether or not access to 9-1-1 is being provided, the geographic coverage of such access, and any limitations on the provision of access to the 9-1-1 Service (see also proposed **Condition 18**);
 - b. information on any procedures put in place by the Licensee to measure and shape Internet traffic so as to avoid filling or overfilling a network link, and information on how those procedures could impact on service quality (see also proposed **Condition 24**);

⁷ Noting that, as set out in the referenced Licences, the public service television broadcasting service has to be provided as part of the subscription television broadcasting service.

- c. the types of maintenance services and customer support services offered, as well as the means of contacting these services;
- d. any restrictions imposed by the Licensee on the use of terminal equipment supplied (e.g. mobile phones), including whether the Licensee restricts access to applications;
- e. the User's options as to whether or not to include his or her personal data in a directory, and the personal data concerned;
- f. details of prices and tariffs, the means by which up-to-date information on all applicable tariffs and maintenance charges may be obtained, payment methods offered and any difference in costs due to payment method; and,
- g. information on any other matters which could limit access to and/or use of the provided ICT services and applications.

C) *Outage Reporting (Condition 22)*

39. The Office notes that certain Licensees are currently subject to the requirements of the **ICTA Outage Reporting Rules** (the '**Rules**'),⁸ to report information on specified outages of their ICT networks and ICT services within specified timeframes. The Office is consulting on including the Rules directly into the main body of the ICT licence template.
40. In this regard, the Office notes its remit – noting in particular **section 6 (2) (w)** of the URC Law which states that the Office may, in performing its functions and exercising its powers under the URC Law, take such action as the Office considers necessary “*to protect the health and safety of the public in relation to ICT Services*”; and, **section 9 (3) (ha)** of the ICT Law which sets out that one of the principal functions of the Office is to “*promote the proper functioning of the critical ICT infrastructure.*”
41. The Office considers that such reporting is, among other things, important for public safety purposes, noting that a robust and resilient ICT network is fundamental for recovery purposes after a natural disaster, and to provide the Office with necessary information to enable the Office to understand and consider any appropriate actions relating to the security and continuity of ICT services over the critical national infrastructure.

⁸<http://www.ofreg.ky/ict/upimages/commonfiles/1481737069OutageReportingRules1of2016.pdf>

42. The Office considers that incorporating the Outage Reporting Rules requirement into the ICT licence template, including the requirement to comply with such administrative determinations, directions, relevant standards, and/or specifications established by the Office, would provide greater clarity and regulatory certainty to existing and prospective Licensees as to the requirements in this area.

D) Cyber Vulnerabilities and Threat Reporting (Condition 23)

43. The Office notes that section 6 of the URC Law provides that the Office may, for example, in **section 6 (2) (k)** collect such information “*as the Office considers necessary*” for “*enabling the security and continuity of services over critical national infrastructure*” – such infrastructure defined as including systems and assets the incapacity or destruction of which would have a debilitating impact on security, national economic security, national public health or safety in the Cayman Islands.
44. Further, the Office notes that, as set out at **section 6 (2) (r)**, the Office may in performing its functions and exercising its powers under the URC Law or any other Law “*take such action as it considers necessary to ensure the continuity and reliability of operations of critical national infrastructure.*”
45. The Office also notes the responsibilities imposed on the Office by the ICT Law in this area, including setting up, managing and controlling the “*Cayman Islands cyber incident response team whose role*” includes maintaining an effective, efficient and innovative Internet environment (**section 9 (3) (hb)** of the ICT Law), and developing and maintaining “*cyber security strategies that enhance and support the security and resilience of national and critical ICT infrastructure towards increased economic prosperity, safe and secure business and innovation*” (**section 9 (3) (hc)** of the ICT Law).
46. Licensees are currently not required expressly to report on cyber vulnerabilities or threats except to the extent that one of these may have caused an ICT network/service outage requiring a report under the previously mentioned Rules (or proposed Outage Reporting in **Condition 22**).
47. The Office is aware, however, that the networks and services of Licensees are under constant pressure from such threats as hackers, malware distributors and other malicious actors, and considers it is necessary to request the provision of information specific to the Cyber Vulnerabilities and Threats as defined, which includes information separate from that which would be reported as part of the proposed Outage Reporting **Condition 22**.

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48. The Office considers that the ICT sector is critical to the Cayman Islands economy and civil society, including through enabling the improvements in teaching and learning.⁹ All sectors of the economy, including knowledge-based, financial services and tourism, rely upon the safe and reliable functioning of ICT networks and ICT services not least to connect customers and suppliers.
49. Further, the public depends heavily on such networks and services to connect to each other via media such as telephone, social media and e-mail among others. Any failure of the networks and/or services is likely to have, therefore, serious consequences for the Cayman Islands Government, businesses and consumers.
50. This is the case whether those failures are caused by factors internal to the Licensees, such as equipment or process failure, or by factors external to them, such as targeted or random cyber-attacks. The Office considers, therefore, that ICT Licensees should be subject to a requirement to report to the Office any Cyber Vulnerabilities and Threats, as defined, they experience – following a process that reflects the current requirement to report outages under the Rules.
51. The Office considers that the actions and timelines proposed are appropriate for the aforementioned purposes; noting that any *additional* regulatory burden on Licensees to comply with the proposed requirements set out therein should be low. The information and reports regarding such Cyber Vulnerabilities and Threats to be provided to the Office should, in any event, already be prepared for each Licensee’s senior management to understand its cyber security risks and profiles, including where there has been a cyber-attack, and how that Licensee is dealing with such.

E) Net Neutrality (Condition 24)

52. The Office notes that **section 73** of the ICT Law requires, in part, that ICT Licensees not “*discontinue or interrupt the provision of ... an ICT service or an ICT network to a subscriber pursuant to an agreement with that subscriber*” except “*on grounds which are reasonable and non-discriminatory.*”

⁹ See for example:

https://www.infodev.org/infodev-files/resource/InfodevDocuments_598.pdf

and

https://www.infodev.org/infodev-files/resource/InfodevDocuments_441.pdf

53. Further, **section 75** ICT Law prohibits the intentional interception, alteration, replication, monitoring or interruption by an ICT Licensee of any “message” except in limited circumstances.
54. The Office also notes that the Authority already set out in **ICT Decision 2010-4** that:¹⁰

In order to promote online innovation, it is crucial that the Internet remain “neutral”, where ISPs may offer different levels of access at higher rates as long as that tier is offered on a non-discriminatory basis to every other content provider. The Authority does not support the creation of a “private Internet” granting exclusive or preferential access (i.e. higher bandwidth levels) to certain providers or applications selected by the ISP.

55. The Office considers that this position on net neutrality, that no exclusive or preferential access to the Internet be granted to certain providers or applications selected by the Licensee, remains relevant, and that existing and prospective ICT licensees would be provided with greater clarity and certainty if the requirement to treat all Internet traffic in this non-discriminatory manner and not to interrupt or interfere with the messages of its customers were included as a condition of the licence.
56. Therefore, as set out at proposed **Conditions 24.1** and **24.2**, the Office proposes that Licensees shall treat all Internet traffic equally when providing internet access services, without discrimination, restriction or interference, and irrespective of the sender and receiver, the content accessed or distributed, the applications or services used or provided, or the terminal equipment used.
57. In this regard, Internet access is defined in **section 2** of the ICT Law as “access to the Internet or to any similar global system for linking networks together using, as the basis for the communications, transmission protocols or internet protocols or any protocols amending or replacing them.”
58. The Office further proposes at **Condition 24.2** that the obligation in **Condition 24.1** shall not prevent providers of internet access services from implementing Internet traffic management measures where such traffic management *is necessary* to comply with an applicable order (for example, by court order), preserve the integrity and security of the network (for example if there is a denial of service attempt), or to prevent

¹⁰ **ICT Decision 2010-4**, *Decision on Deep Packet Inspection and Similar Technologies in the Cayman Islands*, 23 March 2010, paragraph 48.

<http://www.ofreg.ky/upimages/commonfiles/1417274438ICTDecision2010-4DPI.pdf>

impeding or mitigate the effects of exceptional or temporary network congestion, provided that equivalent categories of traffic are treated equally.

59. It is worth noting in this context that the proposed Licence Condition on Net Neutrality is not intended to replace in full **ICT Decision 2010-4**,¹¹ which also considered wider issues, including deep packet inspection.
60. It is also to be noted that the Office has proposed as an amendment to **Condition 9** that Licensees are under an obligation to inform Users on any procedures put in place by the Licensee to measure and shape Internet traffic so as to avoid filling or overfilling a network link, and information on how those procedures could impact on service quality; as well as on the types of maintenance services and customer support services offered, as well as the means of contacting these services.

F) *Annex 2 – Licence Fees*

61. The Office proposes to make a number of changes to the **Annex 2** ("**Licence Fees**") as part of the proposed ICT licence template.

Definitions

62. The Office proposes to retain the flexibility in respect of Annual Financial Statements, and to make further changes to the definitions of Annual and Quarterly Turnover, by removing the references to "*receipts*" and by clarifying that "*Turnover*" includes any fees derived from the use by the licensee or a third party to advertise, whether directly or indirectly, on the channels broadcasted by the licensee.
63. The Office is also proposing to amend the definitions of "*Annual Revenue*" and "*Quarterly Revenue*" by modifying the types of expenses which may be deducted from "*Annual Turnover*" and "*Quarterly Turnover*" for the purposes of calculating licence fees, and which are to be defined as "*Allowable Expenses*". While payments made to other licensees for interconnection, infrastructure sharing and certain wholesale services¹² may be deducted, settlement payments made to international carriers for international traffic no longer would be.
64. The Office considers that the provision for deductions for payments made to international carriers is likely to create a disincentive for Licensees to negotiate more favourable commercial terms with

¹¹ <http://www.ofreg.ky/upimages/commonfiles/1417274438ICTDecision2010-4DPI.pdf>

¹² See the proposed definition of "*Wholesale Services*" for the scope of wholesale services that are deemed to be allowable expenses.

international carriers, given that the Licensees' profit margins are relatively protected by the value of deductions claimed for Licence Fee payments.

65. Ultimately, such disincentives create an outcome that is deemed to lead to a welfare transfer from the Cayman Islands consumers to International carriers.
66. An amended definition for "*Wholesale Services*" is also proposed, which references specifically that it applies to the ICT services provided by the Licensee to any Other Licensee as required under its licence or an administrative determination, order, decision, determination, rule or regulation of the Office.¹³

Dispute Resolution procedures

67. The dispute resolution procedures in paragraph 2 of **Annex 2** currently require the Office to serve a dispute notice within 28 days of receipt of the Licensee's financial statements.
68. This timetable has proved problematic in a number of cases due to timing issues; between being provided the relevant information from Licensees and trying to resolve any identified matters informally with Licensees. Therefore, the Office proposes to extend this period to **90 calendar days**.
69. The Office considers that this extension will provide an appropriate period of time within which the Office and the licensee can attempt to resolve any matters without having to engage in the more formal arbitration process.
70. Moreover, and noting that **Annex 2** deals with both legal and accounting issues, the Office proposes to widen the range of potential independent arbitrators by including lawyers in addition to accountants, in order to provide the parties with the expertise necessary to address legal in addition to accounting issues.
71. The Office also proposes to clarify which party shall bear the costs of the dispute resolution process, being the party "*against whom the said Dispute was resolved.*"

¹³ For further background, see - <http://www.ofreg.ky/ict/dispute-resolution-decisions>

Regulatory Fee Cap

72. As referenced above, the Office proposes to remove the cap on the “*Regulatory Fee*” payable by a Licensee, to ensure that the fees collected from all Licensees cover the costs of the Office regulating the ICT sector, such share of the fees being based on each Licensee’s revenue (as defined).
73. This Regulatory Fee cap is an historic sum that was set in the first ICT Licence issued by the Authority to Flow in 2003 and then copied into subsequent ICT Licences. Since then, the ICT sector has grown substantially in size, including many more Licensees entering the ICT sector, and the general costs of regulating that sector by the Office have increased materially due to such expansion.
74. Noting the developments in the ICT sector, and that the Office’s costs should be shared across the ICT Licensees in a proportionate manner based on each Licensee’s relevant revenue as set out (e.g. to reflect the relative financial benefits or obligations that each Licensee derive from the functions performed by the Office), the effect of the cap means a misallocation of the regulatory costs of the Office among relevant ICT Licensees to the benefit of those Licensees who would otherwise exceed the cap. This, in turn, means that those Licensees whose payments towards regulatory costs are capped have a potential to earn relatively higher profits than other Licensees, thus putting them at a competitive advantage.
75. Therefore, the proposal to remove the cap is intended to ensure that all ICT Licensees are treated equally.

Authorised Frequencies Fees

76. The Office also proposes to modify the provisions for determining and charging Authorised Frequencies Fees. These changes would remove the limit on the Authorised Frequencies Fees and would give the Office the flexibility to charge different amounts for different types of frequencies or transmitters. The flexibility relates to charging different amounts for different transmitters, in other words, allocating those costs differently among cell, microwave and radio transmitters, for example, in a more appropriate manner where relevant (e.g. to better reflect the different costs of the administration of different technology used in the ICT networks).

G) *Listener Feedback Procedures*

77. The **Annex 6** (“*Audience Feedback Procedures*”) is broadly consistent with the current **Annex 5**, with the proposals seeking to clarify and strengthen in places those procedures to ensure that appropriate Audience protections are in place.
78. The Office considers that such amendments are appropriate either to reflect the Licensees’ current good practices or strengthen Audience protections, being appropriate in order to protect the short and long-term interests of the Licensees’ Audience. The Office considers that, subject to this consultation, the costs of implementation of the proposed amendments will not be material over and above what is already required and, in any event, any additional costs for implementing each of the proposed amendments to **Annex 6** are proportionate given the aim of each suggested amendment. The Office intends to insert a question as part of the Office’s ICT licence application form, to ask an applicant to set out in general terms its proposed approach when receiving, acknowledging and dealing with Audience Feedback (including complaints).

C.4 Consultation Questions

79. The Office invites all interested parties to submit their comments, with supporting evidence, on any or all of the following questions:

QUESTION 1: Provide your views on the proposed changes set out in the draft Regulatory Notice.

QUESTION 2: Provide your views on the proposed changes to the ICT licence template.

QUESTION 3: Provide your views on any other matters you consider relevant to this Consultation.

QUESTION 4: Do you agree that the Office should offer the ICT licence template to applicants for new ICT licences, and applicants for the renewal of existing ICT Licences only? Please provide a detailed explanation of your reasoning. See paragraph 86

D. ICT Licensing - Next Steps

80. Upon final determination, the Office proposes to begin relicensing Licensees whose licences have been extended in anticipation of the proposals herein and the resulting determination.
81. The Office proposes to offer the ICT licence template to those ICT Licensees who submit an application for renewal.
82. Such applications are to be made in the format as set out in the ICT Licence application form and accompanied by the appropriate application fees. The Office will update the application forms following this consultation and will be guided by the resulting determination.
83. The Office notes, however, that if it applies this approach, for a certain period of time some ICT Licensees would be subject to the terms and conditions in the new (proposed) ICT licence template while others would continue to be subject to the terms and conditions in their current licences. In other words, not all ICT Licensees would be subject to the same terms and conditions of licence until the licence renewals process is complete.
84. The Office considers that, as a matter of policy, Licensees offering the same types of services should be subject to the same terms and conditions of licence to the greatest extent possible. An approach would be for the Office to exercise its powers pursuant to **section 31(3)** of the ICT Law and modify all ICT Licences to reflect the new Regulatory Notice and ICT licence template, irrespective of when the ICT Licence in question would otherwise have been determined. The Office considers, however, that such an exercise does not at this time represent the best use of its or of the sector's resources, noting that most of the ICT Licences would be replaced in the normal course over a relatively short period of time. It would also mean that some ICT Licensees would have been able to 'enjoy' the benefits of their existing licences for a shorter period of time than others.
85. Therefore, the Office **proposes to determine**, subject to consultation, that:
 - a. The ICT licence template will be offered to new ICT applicants, and existing ICT Licensees who apply to renew their ICT Licensees.

Existing ICT Licensees are encouraged, but are not to be required at this time, to modify their ICT Licences to reflect the terms and conditions of the new ICT licence template.

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86. The Office invites all interested parties to submit their comments, with supporting evidence, on **QUESTION 4**, see paragraph 79.
87. The Office notes that it is also conducting a number of market reviews, following its recent determination **OF 2017 – 2 – Determination** and publication of *Guidelines on the Criteria for the Definition of Relevant Markets and the Assessment of Significant Market Power*.¹⁴ Where relevant, and as mentioned above, the Office’s determinations following those market reviews will be reflected in the appropriate ICT Licences at **ANNEX 3B**.

E. Section 7 Statement

88. As noted above, **section 7 (1)** of the URC Law states that, prior to issuing an administrative determination of public significance, the Office shall “*issue the proposed determination in the form of a draft administrative determination.*”
89. The Office considers that, for the reasons set out in this document, the draft **ANNEXES 1 and 2** are “*draft administrative determination[s]*” for the purposes of **section 7(1)**.
90. The consultation questions are those set out at **APPENDIX 1** below.

F. How to Respond to This Consultation

91. All submissions on this consultation should be made in writing and must be received by the Office by **5 p.m. on 8 July 2019** at the latest. When responding, please repeat the entire question above the corresponding response to each question.
92. The Office reserves the right not to accept comments submitted after this deadline.
93. Submissions may be filed as follows:

By e-mail to: consultations@ofreg.ky

¹⁴ <http://www.ofreg.ky/of-2017-2-determination-of-2017-g2-guidelines>

Or by post:
Utility Regulation and Competition Office
P.O. Box 2502
Grand Cayman KY1-1104
CAYMAN ISLANDS

Or by courier:
Utility Regulation and Competition Office
3rd Floor, Alissta Towers
85 North Sound Road
Grand Cayman
CAYMAN ISLANDS

94. OfReg expects to issue a Determination on the matters addressed by this Consultation by **31 July 2019** if not before.

Annex1: Draft Section 23(2) Regulatory Notice- Draft Determination


CAYMAN ISLANDS
GAZETTE

[Extraordinary] No. [X]/2019

[X], [XX]th [X] 2019

GOVERNMENT

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

[X] [X] 2019

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 (2019 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 ICT licensing falls under three main areas; they are:

PART I- Facilities and Services

Facilities Based Operator ('FBO')

Service Based Operator ('SBO')

PART II- Radiocommunication Stations and Transmitters

Radio Stations (not FM sound broadcasting)

Transmitters

PART III- Special Authorisations & Class Licences

Temporary Operator

Experimental Operator

Off-site Backup (Sister Islands)

Orbital Parking Slots

Class Licences

4. 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 Personal 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 utilised in accordance with the operating parameters and specifications for which they have been specified.
5. 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 terminal equipment to communicate with orbiting satellites, geo-stationary or otherwise, 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 4b above (i.e. Local Private Networks operating on bands outside of the ISM allocations).
6. For clarity, the types of ICT Services that require a licence include but are not limited to:
- a. **Telephony** –

- (i) All forms of 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 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 (includes Internet Protocol Telephony);
- b. Television services -**
- (i) All forms of Free-To-Air television broadcast in the Cayman Islands;
 - (ii) The provision or facilitation of all forms of linear TV, Video on Demand, television programming or streamed video content service distributed over any ICT Network (including over Internet Protocol or "IP") by any person within the Cayman Islands to any person within the Cayman Islands; by way of paid retail subscription, or for subsequent resale to a third-party subscriber. Provision or facilitation in this part applies to persons within the Islands seeking to benefit from such subscription.
- c. Sound broadcasting services –**
All forms of sound broadcasting transmitted from a station in the Cayman Islands.
This does not include temporary, limited range broadcasts covered by Class 3 registration or as otherwise determined by the Office.
- d. Internet services –**
- (i) Internet Service Providers, regardless of the scope or type of services provided, including the resale of internet Service, with the exception of:
 - 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
 - Internet cafes or Wi-Fi hotspots providing access to the internet to persons, where there is no direct fee or other pecuniary benefit associated with obtaining such access.
- 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) Internet Peering Services
 - (iii) Any other services that may be determined by the Office from time to time.

Spectrum

7. In granting a licence under the Law, the Office may assign electromagnetic spectrum frequencies (“Frequency Assignment”) on an exclusive or non-exclusive basis in accordance with its Frequency Allocation Table and relevant spectrum policies as determined by the Office.

8. Requirement to apply for frequency assignments apply to all transmitters/ transponders other than certain “Radio Stations” and “Transmitters”. 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 and is not a frequency included in the **ANNEX 2** ISM bands.

9. For the avoidance of doubt, FBO licensees are required to obtain the appropriate frequency assignment where spectrum is to be used.

10. Types J, K, L(1-5),M, N, and O Licensees are exempt from the requirement to obtain a Spectrum assignment where radios are used in accordance with appropriate use set out in the Frequency Allocation Table.

11. 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**.

Special Zone Licence 9 (Annex 3)

12. The Office, in fulfillment of its mandate to promote innovation and contribute to the economic competitiveness, growth and development of the ICT sector in the Cayman Islands, will identify Special Zones for the operation of FBO, SBO and other licences. Each zone will have attached to it specific conditions along with certain incentives as determined necessary for the encouragement of investment.

- *N.b Where the Office Determines that any such Zones should be established, the Office will publish notice of said zones in the Gazette as an Annex to this Regulatory Notice.*

Available Licences

13. The Office will currently consider applications for grant of licence (*or details of registration for Class licences*) for the following ICT Networks and ICT Service:

PART I Facilities and Services Licences

Facilities-Based Operator Licence (“FBO”)¹

Facilities-Based Operator refers to the deployment and/or operation of any form of ICT Network including, Communication Systems and/or facilities by any person for the purpose of providing telecommunication and/or broadcasting services to third parties. Third Parties may include other licensed telecommunication operators, business customers or the general public. FBO Operators will also be able to offer ICT Services that Service-Based Operators can offer. These are telecommunications entities that own or operate transmission facilities.

An **FBO (“Niche”)** Licence may be granted where the proposed network relates to a specific or limited purpose.

Typical Facilities requiring licensing by the Office

Description	Comments or explanatory notes
Fixed wireline	A wireline network providing access to ICT Service(s) to residential and/or business Subscribers.
Fixed wireless	A wireless network (other than Mobile) providing access to ICT Service(s) to residential and/or business Subscribers.
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.
Fibre optic cable	Whether “lit” or “unlit”.
Submarine Cable Terminal	
Satellite (incl VSAT) - Domestic	
Satellite (incl VSAT) - International	
Broadcast Network	As used for “free-to-air” radio and TV broadcasters.
Internet Exchange Point (IXP)	Any infrastructure operated by a Type 6 Service licensee which facilitates or allows Internet Service Providers to exchange traffic between networks, by means of mutual peering agreements. <i>This Licence will not be issued to or held by a person holding, or affiliated with a person offering Types 1,2,3,4 or 5 Services.</i>

¹ See ANNEX 4 “Policy and Procedure for Application for Facilities-Based Operator (FBO) Licence”

Service-Based Operator Licence (“SBO” or service licence)²

Service-Based Operator refers to the provision of any ICT Service, electronic media and broadcast service, Internet service, digital library and commercial information service, network-based information service and related specialised professional service provided by electronic means and any other similar service and includes a service that consists of or includes the provision of access to ICT infrastructure unless otherwise specified. These are telecommunications entities that do not necessarily own or operate transmission facilities.

Service providers intending to lease ICT Network elements from FBOs to provide their own telecommunication services, or to resell the telecommunication services of FBOs to the public require an SBO Licence. Operators who intend to resell an ICT service as part of a lease agreement or other agreement within their Registered property boundaries may be required to register as a Class Licensee under Part III.

Grant or approval of SBO Licence allows the licensee to provide one or more stipulated ICT Services. A separate application fee will apply to each service being applied for.

Services requiring licensing by the Office

	Description	Comments or explanatory notes
1	Fixed Telephony	Provision of telephony over fixed line or fixed wireless networks. Refer also to paragraph 7a of this Notice for a description of Telephony. Includes Internet Protocol Telephony.
2	Mobile Telephony	Provision of real-time voice transmission across telecommunications network and via an in-network switching facility.
3	Resale of Telephony	Also includes those services sometimes referred to as calling card services. Does not apply to entities operating under subcontract or agency.
4	Internet Service Provider	Providing internet access to the public and who has peering or transit agreements with a Tier 2 or 3 provider.
5	Resale of Internet Service	Sells or provides Commercial access to the internet through a locally licensed ISP.

² See ANNEX 5 “Policy and Procedure for Application for Service-Based Operator (SBO) Licence”

6	Internet Exchange Point ("Peering") Services	Refers to services necessary to facilitate internet peering. This Licence will not be issued to or held by a person holding, or affiliated with a person offering Types 1,2,3,4 or 5 Services.
7	Free-To- Air Broadcasting - Television	Subject to specific local content obligations.
8	Subscription Television/Video Service	Provision of video content over a closed ICT Network. Subject to specific local content obligations.
9	Sound Broadcasting	Includes FM radio broadcasting. Refer to paragraph 6c of this Notice.
10	Lease of ICT Infrastructure.	The provision, by lease or otherwise, of any ICT Network, Infrastructure, Facility. Includes buried infrastructure such as ducts, overhead infrastructure such as poles, and other structures such as towers, buildings, or similar, and also includes dark fibre.
11	Data Network Service	Whether utilising fixed or wireless networks, refers to the transport of data over a private network as a service.
12	Submarine Cable Service	International connectivity over submarine cable systems.
13	Provision of Wholesale ICT Services	Provision of any and all ICT Services on a wholesale basis to another Licensee.
14	Information Services	

PART II RADIOCOMMUNICATION STATIONS AND TRANSMITTERS

Radio Stations

(Licensees of these networks are subject to a fixed licence fee)

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.

Transmitters

(Licensees of these networks are subject to a fixed license fee per transmitter)

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	Local Private Wireless Network	Applies to any closed Free Space (Wireless) Communication Systems network used solely for personal non-commercial use but where the frequencies being used are outside of the ISM allocations. Any persons seeking to use an owned or operated private network for commercial purposes will need to acquire the relevant FBO, SBO or Class Licence.
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PART III SPECIAL AUTHORISATIONS & CLASS LICENCES

(Licensees under this Part are subject to either a fixed license fee or simple registration. Additional Spectrum fees may apply)

Type	Description	Notes
Temporary	Temporary Operator	<p>Time limited deployment of any licensable ICT Facility and/or Service to any person.</p> <p>Includes Facilities and Services to be used in cases of emergency.</p>
Experimental	Experimental Operator	<p>Time limited deployment of any licensable ICT Facility for the sole purpose of research, testing/development or educational purposes.</p> <p>An Operator is not permitted under this licence to sell, lease, rent or obtain any pecuniary benefit or equivalent, directly or indirectly.</p> <p>Operator must demonstrate to the Office measures in place to protect any third-party experimental participants and general public from any detriment, loss, expense or other risk.</p> <p>Applies to Apparatus under the ICTA (<i>Interference and Equipment Standardization</i>) Regulations, 2004</p>
Off-site Disaster Recovery	Off-site ICT disaster recovery and associated services	<p>Applicable only to persons intending to operate or operating within and from Cayman Brac or Little Cayman, and as further defined in their Licences.</p> <p>Licence Type is by the Cabinet under Section 23(3) of the Law, for the development of the Sister Islands.</p>

Class 1	Fall-back International Voice and Data Communications (Private)	<p>A Class licensee allowing the 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> <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 Office has acknowledged in writing the existence of such conditions.</p> <p>The rights and obligations normally associated with Licences for FBOs and SBOs, such as infrastructure sharing and wholesale rates, are not applicable to this licence type, unless otherwise determined by the Office.</p>
Class 1A	Fall-back International Voice and Data Communications (Service)	<p>This licence permits a Licensee to offer international voice and data communications to the Licensee's business clients solely for use in emergency situations.</p> <p>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.</p> <p>The rights and obligations normally associated with Licences for FBOs and SBOs, such as infrastructure sharing and wholesale rates, are not applicable to this licence type, unless otherwise determined by the Office.</p>
Class 2	Provision of access to any ICT Service	<p>Where access to an ICT Service is related to a residential or commercial lease agreement. Does not include lease for temporary accommodations. e.g. Hotel</p>

Class 3	FM Broadcast (Open) Licence	<p>A Class licence allowing the Licensee to sound broadcast.</p> <p>Usable frequencies shall be 88.7 MHz or 102.7 MHz only.</p> <p>Effective radiated power (ERP) shall be 0.5 watts or less only.</p> <p>The service range of broadcasts shall not extend beyond a 300 meter (984 feet) radius from the point of transmission.</p> <p>There shall be no more than one single point of transmission.</p>
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ALEE FA'AMOE
Executive Director ICT
Utility Regulation and Competition Office

ANNEX 1

Definitions

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

- Office
- ICT
- ICT Network
- ICT Service
- Interconnection
- Internet Access
- Licence
- Licensee
- Message
- Person Subscriber

2. In this Notice:

“Broadcasting Services” refer to all Free to Air (FTA) or Over The Air (OTA) television, video or sound broadcasts

“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 any ICT Network, technologies, 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. For the purposes of this Notice, the term “Communication System” includes a whole Communication System and equipment or individual component forming part of a Communication System.

“Commercial Use” or “Commercial Operation” means the use of an ICT Facility or Network by a Licensee to provide a Service to any Person (with the exception of their own employees) or other Licensee, charging a fee for that service.

“Facility” or “Facilities” means any ICT Network or component of any ICT Network.

“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” Frequency bands allocated for use with unlicensed Industrial, Scientific, Medical and other limited purposes in accordance with the International Telecommunications Union Radio Regulations.

“Infrastructure” Includes tangibles used in connection with an ICT Network such as includes lines, cables or wires (whether fibre optic or other), equipment, apparatus, towers, masts, tunnels, ducts, risers, holes, pits, poles, landing stations, huts, lands, buildings or facilities. Subject to the meanings and usages associated with it as set out under the Information and Communications Technology Law (2019 Revision), the Utility Regulation and Competition Law (2019 Revision) and related Regulations.

“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 (2019 Revision).

“Personal Use” Use other than Commercial Use.

“Provider” has the meanings and usages associated with it as set out under the Utility Regulation and Competition Law (2019 Revision) and the Information Communications Technology Law (2019 Revision).

ANNEX 2

Industrial, Scientific and Medical Frequency 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)

ANNEX 3

Special Zone Licence

DRAFT



Special License Zone (Broadband Access)

1. Introduction

- 1.1. The Office, in accordance with its authority established by the Utility Regulation and Competition Law (2019 Revision) (the “**URC Law**”) and the Information and Communications Technology Law (2019 Revision) (the “**ICT Law**”).
- 1.2. The Utility Regulation and Competition Office (the “**Office**”) has determined that in certain circumstances, in the interest of the consumer and in order to create an enabling environment for establishment of ICT Facilities, provision of ICT Services and other ICT development and innovation, it must identify and demark areas available for license where certain incentives and specific regulation are applied. Where there is a reasonable need to do so, the Office will establish Special License Zones (“SLZ”).
- 1.3. The Office notes that its policy structures and regulatory frameworks must encourage investment in ICT generally but in particular in relation to broadband access.
- 1.4. The establishment of a SLZ for broadband access is designed to facilitate the rollout of broadband services in the Cayman Islands Eastern Districts and Sister Islands, where there is limited choice of broadband service for the consumer.

- 1.5. This document is intended to provide an overview of the SLZ framework for Broadband Access and be a guide to persons intending to provide broadband services within the identified Zones.

2. Need for Broadband Access SLZ

- 2.1. Access to Broadband includes the availability of highspeed internet, a choice of providers with a minimum level quality of service all at a fair price. Access to Broadband is a critical component for the wellbeing of the Cayman Islands economic and social infrastructure. It allows for timely access and delivery of information, innovation and development in the way citizens and organizations interact in areas of commerce, governance, education, provision of essential services and other personal services. In this context, the Office considers broadband access to be tantamount to an individual right.
- 2.2. As of January 2019, 17 years post liberalization of the telecoms market in the Cayman Islands, there has been limited rollout of broadband internet in the Eastern Districts and Sister Islands. Housing density statistics¹ indicate that approximately 27% of the homes in the country (Bodden Town, North Side, East End and the Sister Islands) do not have a competitive choice for residential broadband internet. No provider excluding the incumbent provider, offers full service in all these areas.
- 2.3. The Office believes that the barriers to entry and investment in these areas are related in part to the licensing requirements, cost of fees, (in particular the requirement to pay a 6% royalty fee on revenue) and the lower housing density when compared to the more heavily populated George Town and West Bay areas, all having an impact on return on investment and thus making these areas less commercially attractive.
- 2.4. In consideration of the above observations, in an attempt to lower the barriers to entry, the Office has determined that the incentives set out in Incentives Table 1 on page 3 are appropriate to achieve a competitive commercial rollout of broadband access.

¹ The Economics and Statistics Office's, Housing Characteristics, Statistical Compendium 2017

3. Overview of Broadband Access Special Zone Licence

Specific Conditions are to be set out in each SLZ Licence

- 3.1. The Map of the SLZ for Broadband Access is contained in **Annex 1** of this document and highlights the various boundaries for each zone (A,B,C, D and E as set out below). The delimitation for each boundary is based on and accords with those set out in Schedule 1 of the Elections Law (2017 Revision)².
- 3.2. Accordingly, each Zone (A, B, C, D and E as set out below) is individually comprised of the Electoral Districts as defined in the Elections Law, for the respective areas, as follows:
- **Zone A (George Town)** includes: all districts in “George Town,” and “West Bay”, including “Red Bay”, “Prospect” and all areas west of “Bodden Town West”
 - **Zone B (Bodden Town)** includes: “Bodden Town West” and “Bodden Town East”.
 - **Zone C (North Side)** includes: “North Side”.
 - **Zone D (East End)** includes: “East End”.
 - **Zone E (Sister Islands)** includes: “Cayman Brac West”, “Cayman Brac East” and “Little Cayman”.

² https://portal.elections.ky/files/downloads/forms/2019/Elections_Law_2017_Revision.pdf

3.3. Incentives for rollout of services in the defined SLZ.

	Broadband Access Zones				
Incentives	Zone A (George Town & West Bay)	Zone B (Bodden Town)	Zone C (North Side)	Zone D (East End)	Zone E (Sister Islands)
Licence Type	Facilities, ISP, Resale of Internet, Leasing of Facilities to 3 rd parties	Facilities, ISP, Resale of Internet, Leasing of Facilities to 3 rd parties	Facilities, ISP, Resale of Internet, Leasing of Facilities to 3 rd parties	Facilities, ISP, Resale of Internet, Leasing of Facilities to 3 rd parties	Facilities, ISP, Resale of Internet, Leasing of Facilities to 3 rd parties
Licence Duration	15 Years	15 Years	15 Years	15 Years	15 Years
Application Fee	Normal fees apply	\$1000.00	\$1000.00	\$1000.00	\$1000.00
Capped Royalty Fee	6% of revenue, no cap	6% of revenue up to \$455k	6% of revenue up to \$58k	6% of revenue up to \$54k	6% of revenue up to \$40k
Spectrum Fee	Normal fees apply	1 st year free, 50% off thereafter	1 st year free, 50% off thereafter	1 st year free 50% off thereafter	1 st year free, 50% off thereafter
Technology	Flexible	Flexible	Flexible	Flexible	Flexible
Rollout Time	None	Negotiable depending on network design	Negotiable depending on network design	Negotiable depending on network design	Negotiable depending on network design

4. Roll-Out

- 4.1. All Zone licensees other than Zone A must undertake to roll-out licensed services so that services are accessible to all areas within the respective zone and in accordance with the Roll-out schedule approved by the Office. Failure to meet this obligation may result in revocation of licence.

5. Accounting Separation

- 5.1. All SLZ licensees will be regulated in accordance with the licensing and regulatory frameworks established by the Office for the respective zones. There are no restriction prohibiting a non-zone licensee from applying and being granted a zone licence. Where a licensee holds a zone licence and any other licence issued by the Office, all accounting for operations under, affiliated or benefiting from the zone

licence must be separate and reported as such from other regulated and unregulated operations.

6. Applying for a Broadband Access SLZ

- 6.1. There are no limitations to an entity applying for and being granted a licence for more than one Zone.
- 6.2. Applications for SLZ will be evaluated on their merits having regard to the information provided as required in the respective SLZ Application and to the broad licensing criteria outlined in “Part III – Licensing” of the ICT Law.
- 6.3. When considering applications for grant of licence, the Office will examine the nature or corporate structure of the applicant and extent of Caymanian participation in the applicant, which includes beneficial ownership, directorship and management. These serve to demonstrate to the Office the applicant's capacity to exercise and meet all of the rights and obligations to be contained in the licence. Generally, the Caymanian participation elements speak to management and control, ability and likelihood of the applicant acting in the best interest of the industry and jurisdiction and ultimately whether the entity, being subject to regulation, will be such that the Office can effectively regulate it as a licensee where necessary, as well as develop a practical working relationship.
- 6.4. Applicants should use their best endeavours to ensure that all information contained in their applications and any other subsequent submissions and representations are correct and accurate in all respect, in reliance upon which the Office will consider the applications.
- 6.5. The Office will not give advice or guidance beyond identifying the appropriate fields in the application for where certain information should go. The Office expects that applicants of any ICT licence should possess the competency to identify appropriate Facilities, Services or other things necessary to establish or offer the Facilities or Services being applied for.
- 6.6. The Office reserves the right not to accept applications which are substantially incomplete.
- 6.7. The application, required supporting documentation and required application fees should be emailed to:

Executive Director ICT
Utility Regulation and Competition Office
3rd Floor, Alissta Towers, 85 North Sound Rd.
Grand Cayman,
CAYMAN ISLANDS
Email: ict@ofreg.ky

Application forms can be downloaded from:

<http://www.ofreg.ky/ict/application-forms>

- 6.8. Applicants will receive an initial general acknowledgement of receipt of applications.
- 6.9. Upon receipt of the completed application form, all required supporting documents and application fees, the Office will process the application and aim to respond to the applicant within 30 working days.
- 6.10. In processing applications, the Office may request the applicant to provide additional documentation or initiate interrogatories to clarify or supplement the applications submitted.
- 6.11. Zone licences will be granted if the Office is satisfied that the applicant will deliver the proposed services in line with quality of service standards or other conditions applicable to the provision of the respective services.
- 6.12. Generally, sensitive information received as part of an application will be treated in confidence in accordance with the *Information and Communication Technology Authority (Confidentiality) Regulations, 2003*.
- 6.13. Nothing in this document should be taken to bind the Office to grant any licence, the terms of any licence to be granted, or any particular course of action in relation to the handling of applications submitted.

7. General Information on Application and Licence Fees

- 7.1. Application fees must accompany licence application. It should be noted that no application will be processed until all application fees have been received.

7.2. Application Fees are non-refundable.

7.3. Licence Fees are calculated and paid in arrears on a quarterly basis with an annual true-up mechanism based on the Licensee's annual audited financial statements.

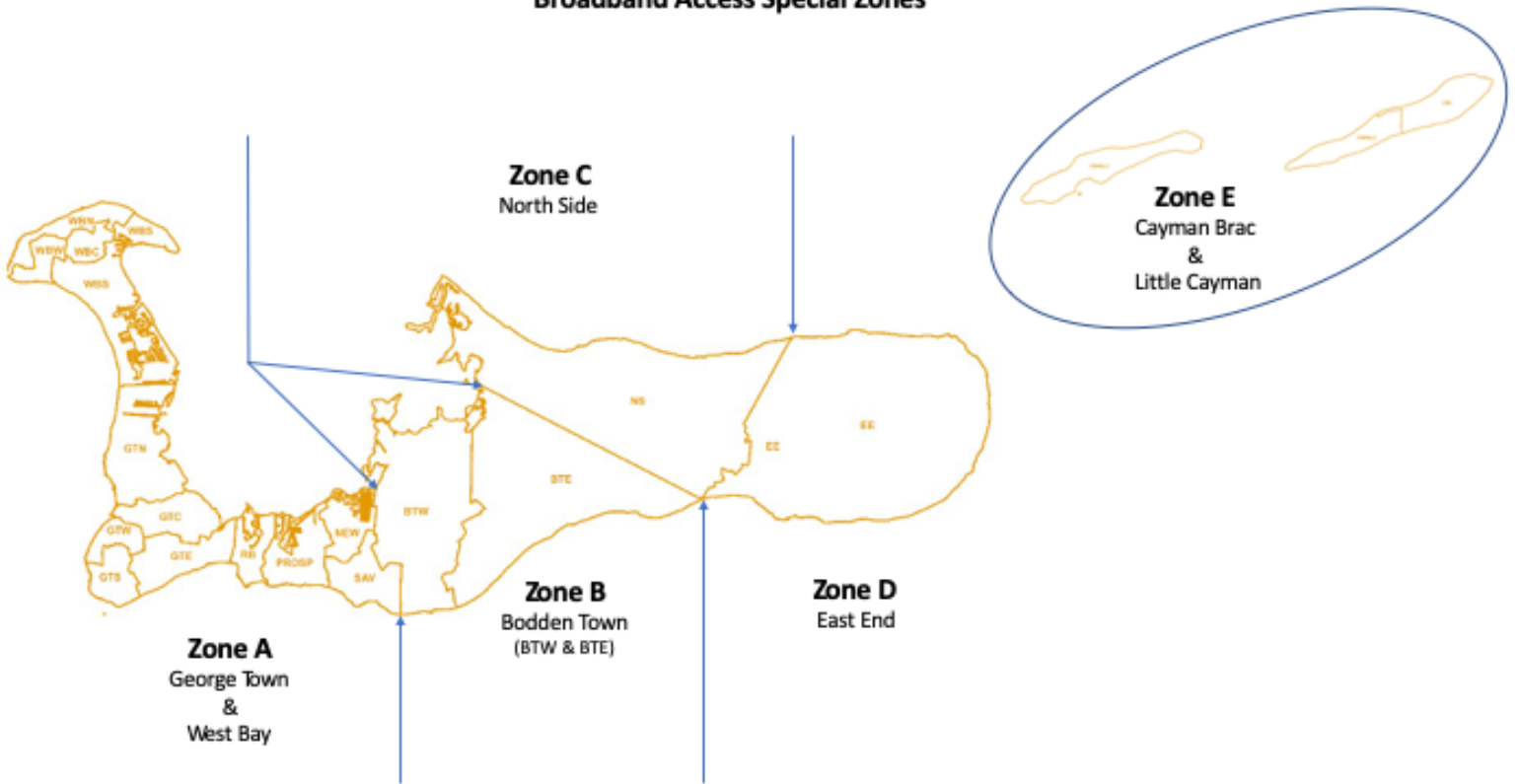
8. Quality

8.1. Generally, broadband licensees will be expected to deliver a quality broadband experience to their customers.

8.2. This quality of service (QOS) may be measured by the Office using industry standards and QOS standards may be set by the Office from time to time.

ANNEX1 ZONE MAP

Broadband Access Special Zones



END

ANNEX 4

Policy and Procedure for Application for Facilities-Based Operator Licence

DRAFT



Policy and Procedure for Application for Facilities-Based Operator (FBO) Licence

1. Introduction

- 1.1. The Office, in accordance with its authority established by the Utility Regulation and Competition Law (2019 Revision) (the “**URC Law**”) and the Information and Communication Technology Law (2019 Revision) (the “**ICT Law**”).
- 1.2. This document is intended to provide an overview of the licensing framework for persons intending to deploy facilities-based operations in the Cayman Islands by highlighting various rights and obligations.
- 1.3. This document indicates the manner in which the Utility Regulation and Competition Office (the “**Office**”) proposes to perform its process of reviewing applications for Facilities-Based Operator (FBO) licences. They are also designed to assist interested parties in submitting their applications and should be read in conjunction with relevant Regulatory Notice¹, policies and regulatory documents that make up the ICT licencing Framework.
- 1.4. Applications for FBO licences will be evaluated on their merit having regard to the information provided as required in an application for licence and to the broad licensing criteria outlined in “Part III – Licensing” of the ICT Law.

¹ Gazette Notice issued by the Utility Regulation and Competition Office in accordance with section 23(2) of the Information and Communications Technology Law, (2019 Revision). That specifies which types of Information and Communications Technology (ICT) Networks and Services are required to be licensed.

- 1.5. When considering applications for grant of licence, the Office will examine the nature or corporate structure of the applicant and extent of Caymanian participation in the applicant, which includes beneficial ownership, directorship and management. These serve to demonstrate to the Office the applicant's capacity to exercise and meet all of the rights and obligations to be contained in the licence. Generally, the Caymanian participation elements speak to management and control, ability and likelihood of the applicant acting in the best interest of the industry and jurisdiction and ultimately whether the entity, being subject to regulation, will be such that the Office can effectively regulate it as a licensee where necessary, as well as develop a practical working relationship.
- 1.6. Applicants should use their best endeavours to ensure that all information contained in their applications and any other subsequent submissions and representations are correct and accurate in all respect, in reliance upon which the Office will consider the applications.
- 1.7. The Office will not give advice nor guidance beyond identifying the appropriate fields in the application for where certain information should go. The Office expects that applicants for any ICT licence should possess the competency to identify appropriate Facilities, Services or other things necessary to establish or offer the Facilities or Services for which the applicant seeks a license.
- 1.8. The Office reserves the right not to accept applications which are substantially incomplete.
- 1.9. The application, required supporting documentation and required fees² should be emailed to:

Executive Director ICT
Utility Regulation and Competition Office
3rd Floor, Alissta Towers, 85 North Sound Rd.
Grand Cayman,
CAYMAN ISLANDS
Email: ict@ofreg.ky

Application forms can be downloaded from:

<http://www.ofreg.ky/ict/application-forms>

² See Part 3 of this Policy

- 1.10. Applicants will receive an initial general acknowledgement of receipt of applications.
- 1.11. Upon receipt of the completed application form, all required supporting documents and application fees, the Office will process the application and aim to respond to the applicant within 30 working days.
- 1.12. In processing applications, the Office may request the applicant to provide additional documentation or initiate interrogatories to clarify or supplement the applications submitted.
- 1.13. Generally, sensitive information received as part of an application will be treated in confidence in accordance with the *Information and Communication Technology Authority (Confidentiality) Regulations, 2003*.
- 1.14. Grant of an FBO Licence does not remove the requirement for any person to obtain other necessary authorisations required by any other government agencies in relation to the deployment of any facilities or provision of services in the Cayman Islands. i.e. Necessary approvals from the Department of Planning or Work Permit or exemptions from the Department of Immigration.
- 1.15. Nothing in this document should be taken to bind the Office to grant any licence, the terms of any licence to be granted, or any particular course of action in relation to the handling of applications submitted.

2. Description of Facilities-Based Operations (General) and (Niche and Limited Purpose)

- 2.1. FBO refers to the deployment and/or operation of any form of public telecommunication network, communications systems, and/or facilities by any person, which are used for the purpose of providing ICT Services. Parties intending to deploy such operations will require an FBO licence.
- 2.2. The Office's Regulatory Notice as published in the Gazette sets out the typical types of Networks, Service and other activities that are required to be licensed.
- 2.3. Licensees who are licensed as FBO will be able to offer the services that Services-Based Operators (SBO) can offer, but not vice versa upon application. However, if a SBO decides to deploy its own network subsequently, it will have to apply to be licensed as a FBO. The FBO licence will then replace its SBO licence.

- 2.4. Telecommunication networks, communications systems and facilities include network elements used for the actual carriage of any telecommunication or broadcast traffic used in connection with the provision of an ICT Service. These may include mobile communications systems (e.g. base stations, mobile switching centres) required to offer public cellular mobile telephone, trunked radio or mobile data services; and fixed or wireless telecommunication systems (e.g. Transmitters, switches, optical fibre, submarine cable systems, international cable and satellite) used to offer local and international voice and data services.
- 2.5. Applicants are free to select the most appropriate technology for their proposed operations, based on their own commercial decisions, approval however is subject to resource limitations (i.e. available spectrum), physical constraints, quality of service and other public interest concerns, if any. Once the licence is granted however, a licensee will be required to seek the Office's prior approval for any subsequent changes to its networks and service offerings.
- 2.6. Applications may also be submitted for grant of an FBO (Niche and limited purpose networks) Licence. This is where the applicant intends to deploy network facilities which has minimal impact on the general public and communications market.
- 2.7. FBO (General) include:

Description	Comments or explanatory notes
Fixed wireline	A wireline network providing access to ICT Service(s) to residential and/or business Subscribers.
Fixed wireless	A wireless network (other than Mobile) providing access to ICT Service(s) to residential and/or business Subscribers.
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.
Fibre optic cable	Whether "lit" or "unlit".
Submarine Cable Terminal	
Satellite (incl VSAT) Domestic	
Satellite (incl VSAT) - International	
Broadcast Network	As used for "free-to-air" radio and TV broadcasters.

Internet Exchange Point (IXP)	<p>Any infrastructure operated by a Type 6 Service licensee which facilitates or allows Internet Service Providers to exchange traffic between networks, by means of mutual peering agreements.</p> <p><i>This Licence will not be issued to or held by a person holding, or affiliated with a person offering Types 1,2,3,4 or 5 Services.</i></p>
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2.8. The criteria for grant of **FBO (Niche and limited purpose networks)** licence is:

- a. Network facility is for a specific use or limited in coverage.
- b. The degree of reliance by the public on the network facility is low.
- c. The degree of reliance on the facility by other service providers for provision of downstream activities should be low. Downstream activity should not critically rely on facility and facility should not be a bottleneck facility.

3. Application and Licence Fees

3.1. Application fees must accompany the FBO licence application. It should be noted that no application will be processed until all application fees have been received.

3.2. FBO Application Fees are non-refundable.

Licence	Application Fee	Duration
FBO (General)	\$12,500.00	10 Years
FBO (Niche and limited purpose networks)	\$5,500.00	10 Years

3.3. Licence Fees are calculated and paid in arrears on a quarterly basis with an annual true-up mechanism based on the Licensee’s annual audited financial statements.

3.4. Licence fees are comprised of a royalty fee and a regulatory fee. The royalty fee, which is set by the Government, is 6% of each Licensee’s revenues. The regulatory fee is based on the Offices’ costs for regulating all ICT Networks and Services and is pro-rated across all Licensees based on each Licensee’s quarterly revenues as a percentage of all Licensees’ quarterly revenues.

4. Spectrum Frequency

- 4.1. Applicants may request assignment of certain spectrum frequencies in relation to the application for FBO licence according to the Office's Frequency Allocation Table and shall demonstrate the need for such frequencies in accordance with the Office Spectrum Management Policy. Requisite spectrum fees must be paid at the time of application and are renewed annually. It shall be a requirement that the use of its systems is safe and does not cause interference to other existing radio-communication networks in the same band or in other bands.

5. Interconnection and Infrastructure Sharing

- 5.1. Licensees are generally required to interconnect and share infrastructure with other licensees. This is to encourage seamless any-to-any communications and efficient and fair use of infrastructure is achieved wherever possible throughout the Cayman Islands. The *ICTA (Interconnection and Infrastructure Sharing Regulations), 2003* establish the relevant rights and obligations.

END

ANNEX 5

Policy and Procedure for Application for Services-Based Operator Licence

DRAFT



Policy and Procedure for Application for Services-Based Operator (SBO) Licence

1. Introduction

- 1.1. The Office, in accordance with its authority established by the Utility Regulation and Competition Law (2019 Revision) (the “**URC Law**”) and the Information and Communication Technology Law (2019 Revision) (the “**ICT Law**”).
- 1.2. This document is intended to provide an overview of the licensing framework for persons intending to provide access to Facilities or offer Service to any person in the Cayman Islands.
- 1.3. This document indicates the manner in which the Utility Regulation and Competition Office (the “**Office**”) proposes to perform its process of reviewing applications for Service Based Operator (SBO) licences. They are also designed to assist interested parties in submitting their applications and should be read in conjunction with relevant Regulatory Notice¹, policies and regulatory documents that make up the ICT licencing Framework.
- 1.4. Applications for SBO licences will be evaluated on their merits having regard to the information provided as required in the respective SBO Application and to the broad licensing criteria outlined in “Part III – Licensing” of the ICT Law.

¹ Gazette Notice issued by the Utility Regulation and Competition Office in accordance with section 23(2) of the Information and Communications Technology Law, (2019 Revision). That specifies which types of Information and Communications Technology (ICT) Networks and Services are required to be licensed.

- 1.5. When considering applications for grant of licence, the Office will examine the nature or corporate structure of the applicant and extent of Caymanian participation in the applicant, which includes beneficial ownership, directorship and management. These serve to demonstrate to the Office the applicant's capacity to exercise and meet all of the rights and obligations to be contained in the licence. Generally, the Caymanian participation elements speak to management and control, ability and likelihood of the applicant acting in the best interest of the industry and jurisdiction and ultimately whether the entity, being subject to regulation, will be such that the Office can effectively regulate it as a licensee where necessary, as well as develop a practical working relationship.
- 1.6. Applicants should use their best endeavours to ensure that all information contained in their applications and any other subsequent submissions and representations are correct and accurate in all respect, in reliance upon which the Office will consider the applications.
- 1.7. The Office will not give advice or guidance beyond identifying the appropriate fields in the application for where certain information should go. The Office expects that applicants of any ICT licence should possess the competency to identify appropriate Facilities, Services or other things necessary to establish or offer the Facilities or Services being applied for which the applicant seeks a license.
- 1.8. The Office reserves the right not to accept applications which are substantially incomplete.
- 1.9. The application, required supporting documentation and required fees² should be emailed to:

Executive Director ICT
Utility Regulation and Competition Office
3rd Floor, Alissta Towers, 85 North Sound Rd.
Grand Cayman,
CAYMAN ISLANDS
Email: ict@ofreg.ky
Application forms can be downloaded from:

<http://www.ofreg.ky/ict/application-forms>

² See Part 3 of this Policy

- 1.10. Applicants will receive an initial general acknowledgement of receipt of applications.
- 1.11. Upon receipt of the completed application form, all required supporting documents and application fees, the Office will process the application and aim to respond to the applicant within 30 working days.
- 1.12. In processing applications, the Office may request the applicant to provide additional documentation or initiate interrogatories to clarify or supplement the applications submitted.
- 1.13. Generally, sensitive information received as part of an application will be treated in confidence in accordance with the *Information and Communication Technology Authority (Confidentiality) Regulations, 2003*.
- 1.14. Grant of an SBO Licence does not remove the requirement for any person to obtain other necessary authorisations required by any other government agencies in relation to the deployment of any facilities or provision of services in the Cayman Islands. i.e. Necessary approvals from the Department of Planning or Work Permit or exemptions from the Department of Immigration.
- 1.15. Nothing in this document should be taken to bind the Office to grant any licence, the terms of any licence to be granted, or any particular course of action in relation to the handling of applications submitted.

2. Description of Services-Based Operator

- 2.1. SBO refers to the leasing or use of ICT Facilities including infrastructure from any Facilities-Based Operator (FBO) in order to provide their own Services or to resell the Services to another person. If a SBO decides to deploy its own network subsequently, it will have to apply separately to be licensed as an FBO.
- 2.2. The Office's Regulatory Notice as published in the Gazette sets out which types of ICT Facilities, Service and other Networks required to be licensed.
- 2.3. Operators who have deployed ICT Facilities within their own property boundaries but wish to offer telecommunication Services to third parties resident within the same property boundaries, should apply for the appropriate FBO (Niche) or Class licence where appropriate.

2.4. Applicants are free to select as many Services based on their proposed offering model. SBO Licences will be granted if the Office is satisfied that the applicant will deliver the proposed services in line with quality of service standards or other conditions applicable to the provision of the respective services. Once the licence has been granted, a licensee will be required to seek the Office's prior approval for any subsequent changes to its service offerings.

3. Application and Licence Fees

3.1. Application fees must accompany the SBO licence application. It should be noted that no application will be processed until all application fees have been received.

3.2. Application Fees are non-refundable.

Licence	Application Fee	Duration
Type 1: Fixed Telephony	\$3,500.00	10 Years
Type 2: Mobile Service	\$3,500.00	10 Years
Type 3: Resale of Telephony	\$1,000.00	10 Years
Type 4: Internet Service Provider	\$1,500.00	10 Years
Type 5: Resale of Internet Service	\$1,000.00	10 Years
Type 6: Internet Exchange Point ("Peering") Services	\$1,000.00	10 Years
Type 7: Free-To-Air Broadcasting-Television	\$2,500.00	10 Years
Type 8: Subscription Television/Video Service	\$2,500.00	10 Years
Type 9: Sound Broadcasting	\$2,500.00	10 Years
Type 10: Lease of ICT Infrastructure	\$1,500.00	10 Years
Type 11: Data Network Service	\$1,000.00	10 Years
Type 12: Submarine Cable Service	\$1,500.00	10 Years
Type 13: Provision of Wholesale ICT Service	\$1,500.00	10 Years

- 3.3. Licence Fees are calculated and paid in arrears on a quarterly basis with an annual true-up mechanism based on the Licensee's annual audited financial statements.
- 3.4. Licence Fees are comprised of a royalty fee and a regulatory fee. The royalty fee, which is set by the Government, is 6% of each Licensee's revenues. The regulatory fee is based on the Offices' costs for regulating all ICT Networks and Services and is pro-rated across all Licensees based on each Licensee's quarterly revenues as a percentage of all Licensees' quarterly revenues.

END

ANNEX 6

Schedule of ICT Application Fees

Application Fees for Facilities-Based Operations

Facilities Based Operations (General)

Description	Application Fee CI\$
Fixed wireline	\$12,500 (Single fee to operate any and all facilities)
Fixed wireless	
Mobile (cellular)	
Fibre optic cable – Domestic	
Submarine Cable Terminal	
Satellite (incl VSAT) – Domestic	
Satellite (incl VSAT) – International	
Broadcast network	
Internet Exchange Point (IXP)	

Facilities Based Operations (Niche and limited Purpose)

Description	Application Fee CI\$
Applies to Network facilities established for a specific use or limited in coverage. Where the degree of reliance by the public on the network facility is low. The degree of reliance on the facility by other service providers for provision of downstream activities should be low. Downstream activity should not critically rely of facility and facility should not be a bottleneck facility.	\$5,500.00

Application Fees for ICT Services

ICT Services

Type and Description	Application Fee CI\$
Type 1: Fixed Telephony	\$3,500.00
Type 2: Mobile Telephony	\$3,500.00
Type 3: Resale of Telephony	\$1,000.00
Type 4: Internet Service Provider	\$1,500.00
Type 5: Resale of Internet Service	\$1,000.00
Type 6: Internet Exchange Point ("Peering") Services	\$1,000.00
Type 7: Free-To-Air Broadcasting-Television	\$2,500.00
Type 8: Subscription Television/Video Service	\$2,500.00
Type 9: Sound Broadcasting	\$2,500.00
Type 10: Lease of ICT Infrastructure	\$1,500.00
Type 11: Data Network Service	\$1,000.00
Type 12: Submarine Cable Service	\$1,500.00
Type 13: Provision of Wholesale ICT Service	\$1,500.00

Application Fees for Radiocommunications Stations

Type and Description	Application Fee CI\$
Type J: Amateur radio station	\$20.00
Type K: Aircraft radio station	\$20.00

Type L1: Ship radio station. For vessels of less than 300 gross tons with no MMSI number.	\$24.50
Type L2: Ship radio station. For vessels of less than 300 gross tons requiring an MMSI number	\$49.00
Type L3: Ship radio station. For vessels of more than 300 gross tons but less than 1,600 gross tons.	\$98.00
Type L4: Ship radio station. For vessels of greater than 1,600 gross tons.	\$147.50
Type L5: Ship radio station. Coastal vessel with no MMSI.	\$10.00
Type M: Spacecraft radio station. Cayman Registered spacecraft.	TBD
Type N: Ground to air radio	\$10.00
Type O: Marine (Coastal) radio	\$20.00
Type P: Land (Mobile) two-way radio	\$20.00
Type Q: Local Private Wireless Network	\$10.00 (May require spectrum assignment fee)

Application Fees for Special Authorisations & Class Licences

Type and Description	Application Fee CI\$
Temporary: Temporary Operator	\$250.00
Experimental: Experimental operator	\$250.00
Off-site ICT disaster recovery and associated services	\$1,500.00
Class 1: Fall-back International Voice and Data Communications (Private)	\$1,500.00
Class 1A: Fall-back International Voice and Data Communications (Private)	\$1,500.00
Class 2: Provision of access to any ICT Service	n/a
Class 3: FM Broadcast (Open) Licence	n/a

Spectrum Fees	Application Fee CI\$
Per Transmitter/channel	\$75.00

Amendment Fees	Application Fee CI\$
Amendment of existing terms and conditions of a licence.	\$250.00 per Annex
Amendment and Duplicate Copy of Licence Fee (non- FBO SBO)	\$16.40

Fees for Assignments or Dealing in Shares	Application Fee CI\$
Transfer of existing licence.	50% of sum of application fees for applicable facilities and/or services
Directly or indirectly seeking to acquire a controlling interest in the Licensee.	50% of sum of application fees for applicable facilities and/or services
Directly or indirectly seeking to acquire a non-controlling interest in the Licensee, or to modify his/her/its interest without losing a controlling interest in the Licensee.	\$500.00



Utility Regulation and Competition Office Schedule of ICT Licence Application Fees

Revised xx June 2019

Application Fees for Facilities-Based Operations

Facilities Based Operations (General)

Description
Fixed wireline
Fixed wireless
Mobile (cellular)
Fibre optic cable - Domestic
Submarine Cable Terminal
Satellite (incl VSAT) - Domestic
Satellite (incl VSAT) - International
Broadcast network
Internet Exchange Point (IXP)

Facilities Based Operations (Niche and limited Purpose)

Description

Applies to Network facilities established for a specific use or limited in coverage. Where the degree of reliance by the public on the network facility is low. The degree of reliance on the facility by other service providers for provision of downstream activities should be low. Downstream activity should not critically rely on facility and facility should not be a bottleneck facility.

Application Fees for ICT Services

ICT Services

Type and Description
Type 1: Fixed Telephony
Type 2: Mobile Telephony
Type 3: Resale of Telephony
Type 4: Internet Service Provider
Type 5: Resale of Internet Service
Type 6: Internet Exchange Point (“Peering”) Services
Type 7: Free-To-Air Broadcasting-Television
Type 8: Subscription Television/Video Service
Type 9: Sound Broadcasting
Type 10: Lease of ICT Infrastructure
Type 11: Data Network Service
Type 12: Submarine Cable Service
Type 13: Provision of Wholesale ICT Service

Application Fees for Radiocommunications Stations

Type and Description
Type J: Amateur radio station
Type K: Aircraft radio station
Type L1: Ship radio station. For vessels of less than 300 gross tons with no MMSI number.
Type L2: Ship radio station. For vessels of less than 300 gross tons requiring an MMSI number
Type L3: Ship radio station. For vessels of more than 300 gross tons but less than 1,600 gross tons.

Type L4: Ship radio station. For vessels of greater than 1,600 gross tons.
Type L5: Ship radio station. Coastal vessel with no MMSI.
Type M: Spacecraft radio station. Cayman Registered spacecraft.
Type N: Ground to air radio
Type O: Marine (Coastal) radio
Type P: Land (Mobile) two-way radio
Type Q: Local Private Wireless Network

Application Fees for Special authorisations & Class Licences

Type and Description
Temporary: Temporary Operator
Experimental: Experimental operator
Off-site ICT disaster recovery and associated services
Class 1: Fall-back International Voice and Data Communications (Private)
Class 1A: Fall-back International Voice and Data Communications (Private)
Class 2: Provision of access to any ICT Service
Class 3: FM Broadcast (Open) Licence

Spectrum Fees
Per Transmitter/channel

Amendment Fees
Amendment of existing terms and conditions of a licence.
Amendment and Duplicate Copy of Licence Fee (non- FBO SBO)

Fees for Assignments or Dealing in Shares
Transfer of existing licence.
Directly or indirectly seeking to acquire a controlling interest in the Licensee.
Directly or indirectly seeking to acquire a non-controlling interest in the Licensee, or to modify his/her/its interest without losing a controlling interest in the Licensee.

Application Fee CI\$

**\$12,500 (Single fee to operate
any and all facilities)**

Application Fee CI\$

\$5,500.00

Application Fee CI\$

\$3,500.00

\$3,500.00

\$1,000.00

\$1,500.00

\$1,000.00

\$1,000.00

\$2,500.00

\$2,500.00

\$2,500.00

\$1,500.00

\$1,000.00

\$1,500.00

\$1,500.00

Application Fee CI\$

\$20.00

\$20.00

\$24.50

\$49.00

\$98.00

\$147.50
\$10.00
TBD
\$10.00
\$20.00
\$20.00
\$10.00 (May require spectrum assignment fee)

Application Fee CI\$
\$250.00
\$250.00
\$1,500.00
\$1,500.00
\$1,500.00
n/a
n/a

Application Fee CI\$
\$75.00

Application Fee CI\$
\$250.00 per Annex
\$16.40

Application Fee CI\$
50% of sum of application fees for applicable facilities and/or services
50% of sum of application fees for applicable facilities and/or services
\$500.00

Annex2: Draft ICT Licence Template – Draft Determination



UTILITY REGULATION AND COMPETITION OFFICE

LICENCE TO [...].

DRAFT TELECOMS I C / LICENCE
TELECOMS I C / TEMPLATE

Document Number: TL [...]

Date: [...]



LICENCE ISSUED TO

[...]

under Part III of

**THE INFORMATION AND COMMUNICATIONS
TECHNOLOGY LAW (2019 REVISION)**

The Utility Regulation and Competition Office, in exercise of the powers conferred on it by Section 23 of the Information and Communications Technology Law (2019 Revision), grants to [...] a Licence to establish, operate and maintain the Information and Communications Technology Networks “Facilities” and/or provide Information and Communications Technology Services as provided for in this Licence, SUBJECT TO the Conditions, all decisions, orders, regulations, resolutions and rules made by the Utility Regulation and Competition Offices, all applicable laws and regulations of the Cayman Islands and applicable tariffs.

GRANTED BY THE Utility Regulation and Competition Office, the Cayman Islands, on this [...].

**Chairman
Utility Regulation and Competition Office**

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PART I: THE LICENCE

1 DEFINITIONS AND INTERPRETATION

- 1.1 A word or expression used in the Licence and the Conditions and also used in the ICT Law and URC Law has the meaning ascribed to that word or expression by the ICT Law and URC Law. In addition, the following expressions shall have the following meanings given to them.

“9-1-1 Service” means a call to the Public Safety Communications Centre using the emergency call number “9-1-1”;

“Affiliate” in relation to the Licensee, means any holding company of the Licensee, any subsidiary of the Licensee or any subsidiary of any holding company of the Licensee;

“Annex” means one or more attachments to this Licence, all of which constitute a part of and are unique to this Licence;

“Authorised Frequencies and Transmitters” means those frequency bands of the spectrum and transmitters set forth in **ANNEX 4**;

“Compliance Plan” means a plan submitted to the Office in accordance with **Condition 8** and containing the information noted therein;

“Conditions” means all the paragraphs of this Licence, including any and all Annexes, as may be amended, revoked or added to in accordance with the Licence;

“Confidentiality Regulations” means the *Information and Communications Technology Authority (Confidentiality) Regulations, 2003*;

“Consent” means as defined by the *Data Protection Law, 2017* or its equivalent;

“Control” means any direct or indirect possession of any power or right that enables a person or group of persons to direct, or cause the general direction of, the management or policies of the Licensee by any means and in any event;

“Data Protection Laws” means the Data Protection Law, 2017 or its equivalent;

“Development Plan” means a plan submitted to the Office in accordance with **Condition 8** and containing the information noted therein;

“Dispute Resolution Regulations” means the *Information and Communications Technology Authority (Dispute Resolution) Regulations, 2003*;

“Facility” or **“Facilities”** means any component of an ICT Network;

“Facilities-Based Operator” means any person establishing or operating any component or group of components of an ICT Network.

“Force Majeure” means any cause affecting the performance by the Licensee of its obligations arising from acts, events, omissions, occurrences or non-occurrences beyond its reasonable control, including (but without limiting the generality thereof) governmental regulations, fire, flood or any disaster or an industrial dispute affecting a third party for which a substitute third party is not reasonably available;

“ICT Critical National Infrastructure” means the infrastructure and related systems and services used in connection with the operation of the Licensee's ICT Facilities which includes towers, masts, switching equipment (including signalling transfer points) and customer database systems (including those used for local number portability, billing and provisioning purposes) necessary to provide the 9-1-1 Service;

“ICT Law” means the *Information and Communications Technology Law (2019 Revision)* and any amendments or revisions thereto;

“Information Services” means a reasonably accessible service provided by the Licensee to the User to provide that User with current and accurate information about the Licensee and its ICT Services, and includes such a service provided by electronic means;

in this definition, “by electronic means” means that the service is sent initially and received at its destination by means of electronic equipment for the processing (including digital compression) and storage of data, and entirely transmitted, conveyed and received by wire, by radio, by optical means or by other electromagnetic means;

“Licence” means this licence authorising and requiring the Licensee specified herein to establish, operate and maintain the specified Licensed ICT Facilities and/or provide the specified Licensed ICT Services, subject to the Conditions;

“Licence Commencement Date” means the date specified in **Condition 13**;

“Licence Fee” means the fee or fees prescribed by the Office under the provisions of *section 30 of the ICT Law* and payable to the Office by the Licensee;

“Licensed ICT Network” includes any “Facilities” specified by the Office in a Notice published in the Gazette in accordance with *section 23(2) of the ICT Law* as requiring a Licence;

“Licensed ICT Service” includes any ICT Service specified by the Office in a Notice published in the Gazette in accordance with *section 23(2) of the ICT Law* as requiring a Licence;

“Licensee” means **[NAME OF LICENSEE]**;

“Office” means the Utility Regulation and Competition Office;

“Operator” means any person operating or offering an ICT network or service and includes “Licensee”;

“Other Licensee” means any person, other than the Licensee, who has the benefit of a Licence granted under *Part III of the ICT Law*;

“Public Safety Communications Centre” means a 24-hour communications facility able to receive all calls directly from the public established by the Department of Public Safety Communications (or its equivalent) as an answering location for 9-1-1 calls originating within the Cayman Islands;

“Service-Based Operator” means any person offering ICT Services;

“Term” means, pursuant to *section 28(a) of the ICT Law*, the period of time during which this Licence is valid as specified in **ANNEX 1**;

“Terms of Service” means the terms and conditions pursuant to which the Licensee shall make all services available to a User;

“Ultimate Controller” means any person or group of persons who or which (alone or jointly with others, and directly or indirectly), in the reasonable opinion of the Office, is in a position to Control the Licensee;

“Universal Service” means any of the categories of service specified by regulation made under *section 61 of the ICT Law*, when promulgated, and as further defined in **ANNEX 3A**;

“Universal Service Fund” means the fund which may be established by the Office to compensate Licensees for carrying out the Universal Service Obligations;

“Universal Service Obligations” means the obligation to provide universal service as set out in Part II of this Licence and as set forth in **ANNEX 3A**;

“**URC Law**” means *The Utility Regulation and Competition Law (2016)*, or its equivalent; and,

“**User**” means a legal or natural person who uses (which includes listening to content) or may use the facilities or services of the Licensee but is not necessarily a subscriber.

1.2 In the Licence, unless the context indicates a contrary intention:

- (a) references to paragraphs and subparagraphs are to paragraphs and subparagraphs of the Conditions, as varied from time to time;
- (b) a document will be incorporated into and form part of the Conditions if it is referred to in the Conditions and reference to such a document is to that document as varied from time to time;
- (c) headings used for Conditions, paragraphs and subparagraphs are for ease of reference only and will not affect the interpretation of the Conditions;
- (d) references to any law, rule, regulation or other legal instrument includes any modification, re-enactment or legislative provisions substituted for the same;
- (e) use of the word "*includes*" or "*including*" should be construed as being without limitation;
- (f) the masculine gender shall include the feminine and neuter, and the singular shall include the plural, and vice versa, and words importing persons shall include firms or companies; and,
- (g) except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in the Licence and otherwise any word or expression shall have the same meaning that it has in the *ICT Law* and *URC Law*, where applicable.

2 SCOPE OF THE LICENCE

- 2.1 In accordance with *section 23 of the ICT Law*, this Licence authorises and requires the Licensee to establish, operate and maintain the Licensed ICT Facilities and/or provide the Licensed ICT Services specified in **ANNEX 1** for the Term specified in **ANNEX 1 SUBJECT TO** the Licensee complying with the Conditions of this Licence and all administrative determinations, decisions, determinations, directions, orders, regulations, resolutions and rules made by the Office, and all applicable Laws and regulations of the Cayman Islands. The requirement for the Licensee to establish, operate and maintain the Licensed ICT Facilities and/or provide the ICT Services means, at a minimum, that the Licensee will, unless otherwise agreed to by the Office, meet the roll out plan specified in **ANNEX 1A**.
- 2.2 In accordance with *section 23 of the ICT Law*, this Licence authorises the use by the Licensee of the Authorised Frequencies and Transmitters listed in **ANNEX 4** for the Term listed in **ANNEX 1**. Unless otherwise authorised in writing by the Office, the Licensee shall only use the Authorised Frequencies and Transmitters in the location and with the equipment and configuration specified in **ANNEX 4**. In accordance with **ANNEX 2**, the Licensee shall pay an annual fee to the Office for the use of the Authorised Frequencies. The Office retains ownership of the radio frequency spectrum set forth in **ANNEX 4**, and the Licensee agrees that it will abide by any and all radio frequency spectrum reallocation or diminution as required by the Office.
- 2.3 All ICT Services and all ICT Facilities subject to licensure under the ICT Law and operated by the Licensee are subject to regulation by the Office. Nothing in this Licence shall be taken to mean or imply any derogation of, or limitation on, the exercise by the Office of all its duties, functions and responsibilities contained in the ICT Law.
- 2.4 The Licensee shall comply with any other requirement in law or practice to obtain any additional consents, permissions, authorisations or licences as may be necessary for the provision of the Licensed ICT Facilities or Licensed ICT Services and for the exercise of its rights or discharge of its obligations under this Licence and the ICT Law.

2.5 The Licensee shall:

- (a) maintain sufficient information systems, located in the Cayman Islands, as are reasonably necessary to enable the Licensee to respond in a timely and accurate manner to the information requirements of the Office, including without limitation to information relevant to business conducted between the Licensee and its Affiliates; and,
- (b) maintain within the Cayman Islands appropriate management systems and management (including an officer of the Licensee) accountable for meeting its obligations under this Licence, such management being properly authorised to so act on behalf and bind the Licensee.

2.6 All representations made by the Licensee however arising, including any undertakings given by the Licensee, in the application for an ICT Licence constitute fundamental terms of the Licences granted. Any material deviation from these representations, including the undertakings given by the Licensee, is a fundamental breach of the Licence pursuant to *section 33 (1) (a) of the ICT Law* (or its equivalent) the consequence of which may be the revocation of the Licence.

3 LICENCE FEE

3.1 The Licence Fees payable by the Licensee for the establishment, operation and management of the Licensed ICT Facilities and/or provision of the Licensed ICT Services specified in this Licence under the provisions of *section 30 of the ICT Law* are as specified in **Annex 2**.

3.2 The Licence Fees referred to in **Condition 3.1** shall be payable directly by the Licensee to the Office on or before the payment dates specified in **Annex 2**, and in the case of those due at commencement of the licence, if any, the fees shall be paid prior to commencement of operations by the Licensee of the Licensed ICT Facilities and/or provision of the Licensed ICT Services specified in this Licence, and thereafter for the Term(s).

- 3.3 The Office may delegate the collection of any or all Licence Fees due in accordance with the provision of **Condition 3.1** to an administrative unit of the Cayman Islands Government, and the Licensee shall pay to such unit any and all fees owed on the same date as the fees are due to the Office.
- 3.4 Without prejudice to any other remedies of the Office under this Licence or the Laws of the Cayman Islands, if the Licensee fails to pay any amount due to the Office or delegated administrative unit of the Cayman Islands Government under this **Condition 3** by the due date, the unpaid amount will accrue interest daily from the due date to the date of payment at three percentage points above the published Cayman Islands Dollar Prime Rate published from time to time by the Office's bankers, the Bank of Butterfield International (Cayman) Limited.

4 PROVISION OF INFORMATION

- 4.1 Any and all aspects of the Licensee's business shall be subject to examination, investigation and audit by the Office.
- 4.2 In consideration of **Condition 4.1**, upon reasonable notice, the Licensee shall provide to the Office in the manner and at the times required by the Office, on reasonable notice, any documents, accounts, returns, estimates, reports or other information so required, including but not limited to the documents, accounts, returns, estimates, reports and other information specified in this Licence including where such documents, accounts, returns, estimates, reports and other information are in the control of Affiliates.
- 4.3 Where the Licensee operates an ICT Facility which makes use of a portion of the free space electromagnetic spectrum between 3 KHz and 300 GHz, the Licensee shall, by the first business day of July of every year, provide the Office with a comprehensive report on its anticipated use of the radio frequency spectrum (including spectrum in use) for the following year and shall update the report as requested by the Office from time to time.
- 4.4 The Office may conduct, from time to time, or may delegate to a suitably qualified person as the Office may decide, an examination, investigation or

audit of any aspect of the Licensee's business or of its relationship with any Affiliate of the Licensee and of its compliance with the Conditions and the ICT Law and any other applicable Laws and regulations of the Cayman Islands.

- 4.5 The Office shall notify the Licensee of the general objectives and scope of any examination, investigation or audit carried out under **Condition 4.4** in advance of the commencement of such examination, investigation or audit, except where the Office has reasonable grounds for believing the Licensee is or has been acting fraudulently or contrary to law.
- 4.6 The scope of any examination, investigation or audit carried out under **Condition 4.4** shall be no wider than is necessary to fulfil the objectives of the said examination, investigation or audit.
- 4.7 Any audit ordered under **Condition 4.4** shall be limited to any activities or information relating to the Licensee's information no earlier than **three (3) years prior to the date** the audit is commenced under **Condition 4.4**.
- 4.8 The Licensee shall provide any and all assistance requested by the Office in relation to any such examination, investigation or audit; such request to be made on reasonable notice **EXCEPT** where the Office has reasonable grounds for believing the Licensee is or has been acting fraudulently or contrary to Laws of the Cayman Islands.
- 4.9 The Office may give the Licensee a notice with regard to the manner in which such examination, investigation or audit is to be carried out and with which the Licensee shall fully comply.
- 4.10 Where the Office requests the provision of information or conducts or delegates an examination, investigation or audit in accordance with **Condition 4.2 or 4.4**, the Licensee shall allow the authorised representative of the Office, or of its delegate as the case may be –
- (a) to attend at, enter and inspect any premises which are under the control of the Licensee or of any of its Affiliates;

- (b) to inspect the Licensee's ICT network systems (including datasets);
 - (c) to take copies of any documents;
 - (d) to acquire any information in the control of the Licensee or any of its Affiliates as may be required in order to carry out the examination, investigation or audit; and,
 - (e) require that any information be formatted and conveyed in any manner deemed appropriate.
- 4.11 The Office or such other person who has been delegated by the Office to conduct an examination, investigation or audit under **Condition 4.4** as the case may be and the Licensee shall each bear its own costs incurred in connection with the examination, investigation or audit, provided that, in the event the examination, investigation or audit reveals a material breach of the Licence, the ICT Law or of any applicable regulations, the Licensee shall bear all reasonable costs associated with any reporting, examination, investigation or audit.

5 COMPLIANCE

- 5.1 In addition to complying with the Conditions of this Licence, the Licensee shall comply with:
- (a) any obligation imposed on it by any law, regulation or rule of the Cayman Islands that is applicable;
 - (b) any administrative determination, decision, determination, direction, order, regulation, resolution or rule duly issued by the Office under the ICT Law, the Licence, or any law, regulation or rule of the Cayman Islands that is applicable;
 - (c) the Plans submitted pursuant to **Condition 8**; and

- (d) applicable tariffs, if any.
- 5.2 The Licensee shall inform the Office as soon as it becomes aware of any action proposed to be undertaken by a person or group of persons which would, or could reasonably be expected to, cause the Licensee to breach any of its obligations under the ICT Law and URC Law (including ICT regulations and the like) or its Licence.
- 5.3 The Licensee shall, at all times, act in a manner best calculated to ensure that it has, or has access to, adequate:
- a. financial resources; and
 - b. management resources and systems of internal control,
- to enable it to establish, operate and maintain the ICT Facilities and provide the ICT Services, as provided for under the Licence.
- The Licensee shall ensure that its access to resources and systems referred to above is not dependent upon the discharge by any other person of any obligation under, or arising from, any agreement or arrangement under which that other person has agreed to provide any services to the Licensee.
- 5.4 The Licensee shall not, except with the written consent of the Office, enter directly or indirectly into any contract or other commercial arrangement with any person or groups of persons considered to be the Ultimate Controller.

6 EXCEPTIONS TO AND LIMITATIONS ON THE LICENSEE'S OBLIGATIONS

- 6.1 If the Licensee is prevented from performing any of its obligations under this Licence because of *force majeure* -

- (a) the Licensee shall notify the Office as soon as practicable of the obligation(s) which it is prevented from performing, and the reason why; and
- (b) the Office may suspend those obligations and the Licensee will not be liable to perform those obligations, for so long as the *force majeure* continues, only if and to the extent that the inability to perform could not have been prevented by taking steps specifically required under this Licence or other reasonable precautions and the inability cannot reasonably be circumvented by the Licensee at its expense through the use of alternate sources, work-around plans or other means.

7 DURATION AND RENEWAL

- 7.1 This Licence commences on the Licence Commencement Date and continues, subject to the Licensee's compliance with the Conditions and the Laws of the Cayman Islands, administrative determinations, directions issued by the Office and applicable tariffs, if any, and subject to any revocation or suspension by the Office, for the Term.
- 7.2 Pursuant to *section 29 of the ICT Law*, the Licensee may serve notice on the Office within one hundred and eighty (180) calendar days of the end of the Licence Term, but no later than three months before the termination of the Licence, requesting a renewal of this Licence
- 7.3 Within the one hundred and eighty (180) calendar days provided for in **Condition 7.2**, or such further period as may be agreed with the Licensee, the Office shall notify the Licensee whether it agrees to a renewal of the Licence subject to the same Conditions or any modified, amended or additional Conditions, and subject to the Licensee providing all necessary information to the Office to enable it to make the notification within the required time.

PART II GENERAL PROVISIONS

8 DEVELOPMENT OF LICENSED ICT FACILITIES AND LICENSED ICT SERVICES

- 8.1 The Licensee shall comply at all times with relevant standards and/or specifications established by the Office to establish, operate and manage the Licensed ICT Facilities (including Network equipment and infrastructure) and/or provide the Licensed ICT Services, **OTHERWISE** the Licensee shall establish, operate and maintain the Licensed ICT Facilities and/or provide the Licensed ICT Services according to standards of performance in line with international best practices.
- 8.2 The Licensee shall submit to the Office a Development Plan and a Compliance Plan, together known as “**the Plans**”. Any and all matters to be included in the Plans may be added to, deleted or substituted by the Office at any time during the Term of this Licence. The Plans may be submitted in confidence in accordance with the Confidentiality Regulations.
- 8.3 The Development Plan shall describe the following:
- a) planned nature and extent of Caymanian participation as set out in **Annex 1B**;
 - b) contact details of key management responsible for and authorised to respond to the Office in such areas as network operations and maintenance, legal, regulatory and corporate affairs;
 - c) the target levels of quality of service performance which the Licensee will achieve with the Licensed ICT Facilities and Licensed ICT Services, the estimated timeframe within which those targets will be achieved and how the achievement of those target levels of performance will be monitored;
 - d) anticipated introduction of new Facilities and new ICT services, including geographic coverage, and the Licensee’s intended 3-year planning

cycles for the operation of its networks and provision of its services, and resource needs e.g. Spectrum (including its business process maps);

- e) the manner in which financial data will be captured, and reported and verified for purposes of the Licence Fee, including providing the Office with audited financial statements within a time frame that is no later than three (3) months from financial year end;
- f) the Licensee's internal rules and procedures for the treatment of User confidential information; and
- g) such other matters as required by the Office from time to time.

8.4 The Compliance Plan shall describe the manner in which the Licensee has complied with the terms of its Licence and shall also address:

- (a) the extent to which it has met, exceeded or failed to meet the various categories in the Development Plan;
- (b) whether it has provided and continues to provide all financial data pertinent to the amount of Licence Fees to be paid;
- (c) infrastructure arrangements and disputes;
- (d) significant differences between target levels of performance and performance levels achieved over a sustained period of time, and major service interruptions and reasons therefore;
- (e) broad categories of User complaints, the manner resolved and the time frames involved;
- (f) confidentiality of information and the extent to which it has been safeguarded; and
- (g) such other matters as required by the Office from time to time.

- 8.5 The Office may direct the Licensee to update and resubmit the Plans from time to time.
- 8.6 The Office may direct the Licensee as to matters to be included in the Plans and may amend or replace such direction from time to time.
- 8.7 The Office may include as a Condition of this Licence the targets specified by the Licensee in the Plans and the Licensee shall be deemed to be in breach of its Licence if such target levels are repeatedly not achieved.
- 8.8 Within **fifteen days** of the end of each **six-month period** during the Term, the Licensee shall, unless otherwise approved or directed by the Office, provide the Office with the Plans whereby the Development Plan will address the subsequent **six months** and the Compliance Plan will address the preceding **six months**.
- 8.9 The Licensee shall comply with any administrative determinations, directions issued by the Office from time to time regarding any quality of service indicators, measurement methods and compliance requirements, as may be reasonably required, for the Licensed ICT Facilities and Licensed ICT Services.
- 8.10 The Licensee shall on request by the Office, and in the timeframe so requested, supply the results of its measurements of actual performance against any quality of service indicators and measurements which the Office may publish or require publication of such information as it considers appropriate.

9 LICENSEE'S OBLIGATIONS TO USERS

- 9.1 The Licensee shall, in accordance with the ICT Law, take such steps as are reasonably necessary, including where applicable providing Information Services on its website, to ensure that, in relation to its Licensed ICT Facilities and/or Licensed ICT Services as applicable, Users can reasonably and reliably have access to Information Services to assist them with queries relating to the Licensee's ICT Services – such Information Services to include the Licensee providing the User with:

- a. the ICT Services provided, including in particular whether or not access to 9-1-1 is being provided, the geographic coverage of such access, and any limitations on the provision of access to the 9-1-1 Service;
 - b. information on any procedures put in place by the undertaking to measure and shape traffic so as to avoid filling or overfilling a network link, and information on how those procedures could impact on service quality;
 - c. the types of maintenance services and customer support services offered, as well as the means of contacting these services;
 - d. any restrictions imposed by the Licensee on the use of terminal equipment supplied, include access to applications;
 - e. the User's options as to whether or not to include his or her personal data in a directory, and the data concerned;
 - f. details of prices and tariffs, the means by which up-to-date information on all applicable tariffs and maintenance charges may be obtained, payment methods offered and any difference in costs due to payment method;
 - g. information on any other matters which could limit access to and/or use of the provided ICT Services and applications
- 9.2 The Licensee shall use its best endeavours to meet the quality of service commitments set out in the Development Plan.
- 9.3 The Licensee shall comply with the requirements set out at **Annexes 5 and 6**, and prior to the provisioning of ICT Services to Users, develop, implement and publish procedures for responding to complaints from and disputes with Users related to the quality of any Licensed ICT Services and to statements of charges and prices, and unless otherwise provided for in the Licence, the Licensee shall respond quickly and adequately to any complaints but,

in no event, **later than one (1) month** after the filing of such complaint with the Licensee.

- 9.4 The Licensee, and its Terms of Service, shall be subject to the Office's Dispute Resolution Regulations, or such other regulations, rules or conditions as the Office may prescribe, for resolving such complaints from and disputes with Users.
- 9.5 Prior to the provisioning of ICT Services to Users, the Licensee shall develop Terms of Service for the provisioning of Licensed ICT Services to Users which comply with the obligations set out in this Licence as applicable.
- 9.6 The Office may issue administrative determinations, directives, rules or regulations which shall replace or amend **Annex 5** and/or **Annex 6** in whole or in part. The Licensee shall comply with every such directive, rule or regulation.
- 9.7 The Licensee shall provide all Subscribers of Licensed ICT Services with the terms and conditions of the applicable subscriber contracts in the manner specified by the Office, if any, and shall thereafter provide Licensed ICT Services based upon the applicable contract.
- 9.8 Subscriber contracts shall be compliant with the ICT Law and any other applicable laws, administrative determinations, directives and regulations of the Office. In the event that the Office determines that subscriber contracts do not comply with the ICT Law and any other applicable laws, the Office shall instruct the Licensee to make appropriate amendments which the Licensee shall comply with.

10 PRIVACY AND CONFIDENTIALITY

- 10.1 The Licensee shall maintain the confidentiality of, and refrain from using or disclosing, unless consent has been given to such use or disclosure by the person entitled to the confidentiality of that information:

- (a) any confidential, personal and proprietary information obtained in the course of its business from any Subscriber, where such information originates from any such Subscriber;
 - (b) any information regarding usage of a Licensed ICT Facility or a Licensed ICT Service; or
 - (c) any information received or obtained as a result of or in connection with the operation of a Licensed ICT Facility or the provision of a Licensed ICT Service.
- 10.2 Notwithstanding **Condition 10.1**, the Licensee is permitted to use such information to operate its Licensed ICT Facilities or Licensed ICT Services, bill and collect charges, protect its rights or property or prevent the fraudulent use of the Licensed ICT Facilities or the Licensed ICT Services.
- 10.3 The Licensee shall establish and implement procedures according to standards of performance in line with International best practices for maintaining the confidentiality of information subject to this **Condition 10**.

11 OTHER LICENSEE CONFIDENTIAL INFORMATION

- 11.1 In the event the Licensee receives information from an Other Licensee for the purposes of interconnection, infrastructure sharing or the provision of ICT Services generally, where such information received is of a competitive nature, such as customer orders, market forecasts, plans for the development of new services, network plans, new customers and current or proposed business plans, the Licensee shall treat such information in confidence and shall share it only amongst those employees who have a need to know for provisioning services to the Other Licensee disclosing such information and shall not provide such information to personnel involved in the provision of ICT services offered in competition, and shall use such information solely for the purpose for which such information is received.
- 11.2 The Office may establish rules and procedures it deems necessary to prevent the misuse of licensee confidential information.

12 ASSIGNMENT

- 12.1 The Licensee may not assign, convey or transfer this Licence, in whole or in part, without the prior written consent of the Office.

13 LICENCE COMMENCEMENT DATE

- 13.1 This Licence shall take effect on the date granted by the Office.

14 AMENDMENTS

- 14.1 Subject to *section 31 of the ICT Law*, no amendments or additions to this Licence shall be valid unless in writing and signed on behalf of the Office.

15 COMPLIANCE WITH LAWS

- 15.1 The Licensee shall comply at all times with applicable Laws and regulations of the Cayman Islands.
- 15.2 The Licensee, in accordance with *section 23(4) of the ICT Law*, may be exempt from complying with the *Local Companies (Control) Law (2015 Revision)*, as amended from time to time. Nonetheless, the Licensee shall comply with the level and degree of Caymanian participation stipulated in **Annex 1B**.

PART III: SERVICE OBLIGATIONS

16 UNIVERSAL SERVICE

- 16.1 Pursuant to in particular *sections 59 to 64 of the ICT Law*, in the event the Office imposes specific conditions on the Licensee, the Licensee shall comply with such conditions as so set out (and reflected in **Annex 3A**).
- 16.2 In particular, where obliged pursuant to *section 64 of the ICT Law*, the Licensee shall contribute to the Universal Service Fund (such obligation to be reflected in **Annex 3A**).

17 SIGNIFICANT MARKET POWER

- 17.1 Where the Office imposes specific conditions on sectoral providers determined to have significant market power in the relevant markets, pursuant to in particular *sections 44 to 45 of the URC Law*, the Licensee shall provide ICT Services and/or ICT Facilities in those relevant markets on such terms and conditions as so set out (and reflected in **Annex 3B**).

18 9-1-1 SERVICE

TO APPLY TO A LICENSEE LICENSED TO PROVIDE TYPE 1, TYPE 2, AND TYPE 3 ICT SERVICES, OR THEIR EQUIVALENT (SUCH SERVICES OR THEIR EQUIVALENT AS SPECIFIED FROM TIME TO TIME BY THE OFFICE IN ACCORDANCE WITH A NOTICE ISSUED PURSUANT TO SECTION 23 (2) ICT LAW OR ITS EQUIVALENT)

Information to Administer 9-1-1 Service

- 18.1 The Licensee shall provide, at no cost, to the Public Safety Communications Centre ('PSCC') all information required to administer the 9-1-1 Service in the Cayman Islands, including cell location, in the form and format and at the time intervals required by the PSCC for an effective 9-1-1 Service, as amended from time to time by the PSCC. Additionally, and at a minimum, the Licensee shall comply with the National Emergency Number

Association Recommended Technical Standard “02-010 Standards for Recommended Formats and Protocols for Data Exchange.”

Emergency Call Access

- 18.2 The Licensee shall ensure that any person in the Cayman Islands can access the PSCC at all times by using the emergency call number "9-1-1" and at no charge to that person regardless of whether or not that person has credit on their call account.

Proper and Effective Functioning of the Facilities

- 18.3 The Licensee shall take all necessary measures to ensure the proper and effective functioning of its ICT Facility(s), including the provision of uninterrupted access to the 9-1-1 Service as part of any Type 1, Type 2, and Type 3 ICT Service it or another Licensee provides, or equivalent ICT Services, such measures to include:

- (a) a direct network connection to the PSCC;
- (b) a direct network connection to each of the other Licensees;
- (c) all network components required for a person to complete a call to the 9-1-1 Service to be physically located within the Cayman Islands, including all related ICT Critical National Infrastructure assets, services and systems; and
- (d) the 9-1-1 Service call signal and communication to remain on Network(s) located within the Cayman Islands.

Requirement to monitor the functioning of the 9-1-1 Service and to notify the Office of any outage affecting the ICT Critical National Infrastructure

- 18.4 The Licensee shall:

- (a) monitor on a continuous basis the availability of a person's access to the PSCC using the emergency call number "9-1-1";
- (b) provide the Office each month with a report setting out the results of the monitoring required in **Condition 18.4(a)**;
- (c) notify the PSCC in the format set out in the **ANNEX** to this Licence Condition as soon as it is aware that there could be or has been a call failure such that a person is not guaranteed access to the PSCC by using the emergency call number "9-1-1"; and,
- (d) notify the Office within one hour where it is aware that there has been a call failure such that a person is not guaranteed access to the PSCC by using the emergency call number "9-1-1", such a notification to be published on the Office's website.

DRAFT TELECOMS ICT LICENCE
TEMPLATE

ANNEX: Incident Reporting Template

1	Telecoms Licensee Name:	
2	Telecoms Licensee incident reference number:	
3	Date and time of Facility/Service failure:	
4	Data and time of resolution:	
5	Location of incident:	
6	Brief description of Facility/Service failure:	

7	<p>Impact of Facility/Service failure:</p> <p>i) Services affected;</p> <p>ii) Number/proportion of users affected; and,</p> <p>iii) Facilities and assets affected.</p>	
8	<p>Summary of Facility/Service failure cause and action taken so far:</p>	
9	<p>Third party details:</p>	
10	<p>Name and contact details for follow up:</p>	

19. FACILITATION OF INTERCEPTION

TO APPLY TO A LICENSEE LICENSED TO PROVIDE TYPE 1, TYPE 2, TYPE 3, AND TYPE 6 ICT SERVICES, OR THEIR EQUIVALENT (SUCH SERVICES OR THEIR EQUIVALENT AS SPECIFIED FROM TIME TO TIME BY THE OFFICE IN ACCORDANCE WITH A NOTICE ISSUED PURSUANT TO SECTION 23 (2) ICT LAW OR ITS EQUIVALENT)

- 19.1 The Licensee shall install and maintain at its own cost the Network equipment and software necessary to enable it to provide at least the Information and the interception of messages on its ICT Facility as required to be provided by the Licensee under the ICT Law (including any Regulations made under that law). The Network equipment and software installed to enable the provision of such Information and the interception of messages as referenced above must meet with applicable ETSI standards.
- 19.2 Upon notice that a warrant has been issued by the Governor authorising any person employed by the Law Enforcement Agency to intercept a message as provided for under the Interception Regulations (or its equivalent), the Licensee shall ensure that the Law Enforcement Agency is able to commence interception as provided for in that warrant, free of charge:
- a. as soon as is reasonably practicable but no later than four (4) hours following the communication of that notice; or,
 - b. where the information request is headed PRIORITY, (being investigations into matters affecting the immediate safety of a person, the immediate prevention or detection of a serious crime or an immediate threat to national security), as soon as is reasonably practicable but no later than thirty minutes following the communication of that notice.

- 19.3 The Licensee shall provide to the Law Enforcement Agency, free of charge and in an encrypted and useable format, the information requested in accordance with a request for information made under *section 77 of the ICT Law* (or its equivalent), or in accordance with other lawful authority as the case may be, within the timeframes stated below:
- a. where the information request is headed ROUTINE (being investigations into reports of criminal activity which do not require information for immediate evidential presentation), the information is to be provided within ten (10) working days from the date of the request;
 - b. where the information request is headed URGENT, (being investigations into matters which require information for immediate evidential presentation), the information is to be provided within two (2) working days from the date of the request; or,
 - c. where the information request is headed PRIORITY, (being investigations into matters affecting the immediate safety of a person, the immediate prevention or detection of a serious crime or an immediate threat to national security), the information is to be provided in real time or as close to real time as is practicable.
- 19.4 The Licensee shall ensure that there are at least two designated persons in the Cayman Islands, one being the primary contact and the other being the secondary contact, whose responsibility it is to provide the Law Enforcement Agency with information requested in accordance with a request for information made under the ICT Law or URC Law, or in accordance with other lawful authority, and the assistance necessary to comply with a warrant issued by the Governor under the Interception Regulations.
- 19.5 The Licensee shall provide the details of the persons so designated under **Condition 19.4** above to the Law Enforcement Agency, and the appointment of such designated persons is subject to satisfactory security clearances by the Law Enforcement Agency.
- 19.6 For the purposes of this Condition, the following definitions shall apply:

"ETSI" means the European Telecommunications Standards Institute;

"Information" means at least:

- a) the Terminal Equipment being used by a Subscriber of the Licensee's ICT Services (including the manufacturer, model name or number, type and an identifying serial number or a media access control ('MAC') address);
- b) whether the Terminal Equipment used is, or has been, active on the Licensee's Network;
- c) the Subscriber details associated with the Terminal Equipment being used on the Licensee's Network (including the relevant telephone number, account identifier, IP address and email address);
- d) the date, time and duration of any voice call by the said Subscriber, including where additional persons may have joined or left that voice call;
- e) the location of the Terminal Equipment in use; and,
- f) the last registered location of the Terminal Equipment which was active on the Licensee's Network;

"Interception Regulations" means *The Information and Communications Technology Authority (Interception of Telecommunication Messages) Regulations, 2011* (as amended) or its equivalent;

"Law Enforcement Agency" means the Royal Cayman Islands Police Service;

"Terminal Equipment" means a product enabling communication or a relevant component thereof which is intended to be connected directly or

indirectly by any means whatsoever to interfaces of public ICT Networks;
and,

"Useable Format" means a format whereby the information provided is in a format readable by the Law Enforcement Agency.

20 INTERCONNECTION AND INFRASTRUCTURE

- 20.1 Unless otherwise provided for by the Office, interconnection charges shall be cost oriented and reciprocal such that the Licensee and all interconnecting Other Licensees shall charge each other the same rate for the same service.
- 20.2 A Licensee shall not deny another Licensee access to its infrastructure or infrastructure arrangements, except:
- (a) where there is insufficient capacity taking into account reasonably anticipated requirements;
 - (b) there are reasons of safety or security; or
 - (c) there are technical or engineering matters which could make such access difficult or impossible.
- 20.3 In the event of a dispute between Licensees relating to interconnection or infrastructure sharing the Licensee shall submit such dispute to the Office pursuant to the Dispute Resolution Regulations and will abide by the decision of the Office.

21 NUMBER ALLOCATION

- 21.1 The Licensee shall establish, operate and manage its Licensed ICT Facilities and provide its Licensed ICT Services in accordance with a numbering plan established pursuant to *Section 71 of the ICT Law*.

- 21.2 Subject to Section 71 of the ICT Law, the Licence shall provide number portability in accordance with any rules or other requirements specified by the Office.
- 21.3 The Office shall issue to the Licensee the numbers required to offer Licensed ICT Services. The Licensee shall have no proprietary or ownership rights to numbers.

22 OUTAGE REPORTING

TO APPLY TO A LICENSEE LICENSED TO PROVIDE ICT FACILITIES OR ICT SERVICES IN PART I AND PART II OR THEIR EQUIVALENT (SUCH SERVICES OR THEIR EQUIVALENT AS SPECIFIED FROM TIME TO TIME BY THE OFFICE IN ACCORDANCE WITH A NOTICE ISSUED PURSUANT TO SECTION 23 (2) ICT LAW OR ITS EQUIVALENT)

- 22.1 Licensees shall submit electronically an **Initial Notification** to the Office within **60 minutes** of discovering that they have experienced on any facilities that they own, operate, lease, or otherwise utilise, an Outage of at least **15 minutes** duration that potentially:
- a. affects at least 50 subscribers;
 - b. affects any Special Offices and Facilities; or,
 - c. is a Mission-Critical Outage.
- 22.2 In the event of an Outage lasting **more than four (4) hours**, the Licensee shall submit electronically an **Update Notification** to the Office on the fourth (4th) hour and **every four (4) hours** thereafter detailing steps being taken and progress made in resolving the Outage until resolution.
- 22.3 The Licensee shall notify the Office of the return to service by submitting electronically a **Resolution Notification no later than 60 minutes** after the Outage has been resolved.

- 22.4 Not later than **fourteen (14) days** after the **Resolution Notification**, the Licensee shall submit electronically a detailed Outage Report (the “**Report**”) to the Office.
- 22.5 The Notifications (Initial, Update and Resolution) and the Report shall comply with all of the requirements of **Condition 22.7**.
- 22.6 For the avoidance of doubt, all Outages that potentially affect communications **for at least 15 minutes** with any airport or seaport shall be reported in accordance with the provisions **Condition 22.7**.
- 22.7 Notifications and the Report shall be submitted by a person authorised by the Licensee to submit such reports to the Office. The person submitting the Report to the Office shall also be authorised by the Licensee to bind the Licensee to the truth, completeness, and accuracy of the information contained in the Report.
- 22.8 The person submitting the Report shall certify that he/she has read the Report prior to submitting it and that the information contained therein is true, complete and accurate to the best of his/her knowledge and belief and that the Licensee certifies that this information is true, complete and accurate.
- 22.9 Where an Outage impacts the ability of a Licensee to submit electronically a Notification or the Report, the Licensee shall contact the Office’s technical staff by other reasonable means. In all other cases, the Licensee shall submit electronically.
- 22.10 For the avoidance of doubt, this Condition is without prejudice to any other reporting requirements of the Licensee, including without limitation those set out in **Condition 9** of the Licence.
- 22.11 For the purposes of this Condition, the following definitions shall apply:

“**Initial Notification**” means a notification which contains at a minimum:

- i. the name of the reporting licensee;
- ii. the date and time of the onset of the Outage;
- iii. a brief description of the problem including, if available, geographic area or number of customers affected; and,
- iv. estimated time of restoration.

“Mission-Critical Outage” means an Outage affecting a facility that is deemed critical to the national security/emergency preparedness (NS/EP) operations of the Royal Cayman Islands Police Service or any of Her Majesty’s Armed Forces engaged in operations, Fire Stations, Hazard Management Cayman Islands and national Emergency Medical Centres;

“Outage” means a degradation in the ability of an end User to establish and/or maintain a channel of communications as a result of failure of, or degradation in the performance of the Licensee’s ICT Facilities or ICT Service.

“Report” means a report which contains all pertinent information on the Outage and shall provide at a minimum:

- i. the name of the reporting licensee;
- ii. the date and time of onset of the Outage;
- iii. a description of the problem;
- iv. Services affected by the Outage;
- v. third party licensees affected;
- vi. time of restoration;

- vii. the geographic area/s affected by the Outage;
- viii. the number of customers affected by the Outage;
- ix. the cause of the outage;
- x. corrective actions taken;
- xi. actions taken to prevent the Outage happening again; and,
- xii. a contact name and contact telephone number by which the Office's technical staff may contact the reporting licensee.

“Resolution Notification” means a notification which contains at a minimum:

- i. the name of the reporting licensee;
- ii. the date and time of the resolution of the Outage; and,
- iii. a brief description of the actions taken to resolve the Outage.

“Submit electronically” means the submission of the relevant information via email to the Office’s outagereports@ofreg.ky, or such other reporting systems as may be identified by the Office from time to time.

“Special Offices and Facilities” means the airports as listed by the CIAA and seaports regulated by the Port Authority of the Cayman Islands, as well as such primary or secondary emergency services or key government and private facilities as the Office may designate in writing from time to time; [Reference to 9-1-1 deleted]

“Update Notification” means a notification which contains at a minimum:

- i. the name of the reporting licensee;
- ii. the date and time of the onset of the Outage;
- iii. an updated description of the problem;
- iv. updated estimated time of restoration;
- v. geographic area affected by the Outage; and,
- vi. number of customers affected by the Outage.

23 CYBER VULNERABILITIES AND THREAT REPORTING

- 23.1 The Licensee shall at all times monitor the proper functioning of its ICT Facilities and ICT Services.
- 23.2 The Licensee shall inform the Office using the Office's given contact details for this purpose, and submit electronically a Notification to the Office, both within **90 minutes** of discovering that the Licensee has experienced a Cyber Vulnerability or Threat on any ICT Network facilities or ICT Services that it owns, operates, leases, provides or otherwise utilises.
- 23.3 No later than **five working days** after the provision to the Office of the Notification required in **Condition 23.2**, the Licensee shall submit electronically to the Office a detailed Mitigation Report which sets out how it has addressed the identified Cyber Vulnerability or Threat.
- 23.4 The Licensee shall appoint a Cyber Security Officer and that person so appointed shall submit the Notification and Mitigation Report to the Office within the required timelines set out in this Condition.
- 23.5 The person submitting the Notification or Mitigation Report shall certify that they have read the Report prior to submitting it and that the information contained therein is true, complete and accurate to the best of their

knowledge and belief and that the Licensee certifies that this information is true, complete and accurate.

23.6 Where a Cyber Vulnerability or Threat impacts the ability of a Licensee to submit electronically a Notification or Mitigation Report, the Licensee shall contact the Office's technical staff by other reasonable means. In all other cases, the Licensee shall submit electronically.

23.7 For the avoidance of doubt, this Condition is without prejudice to any other reporting requirements of the Licensee, including without limitation those set out in **Condition 9** of the Licence.

23.8 For the purposes of this Condition, the following definitions shall apply:

"Cyber Security Officer" means a competent and properly certified person trained to generally accepted International standards, authorised by the Licensee to bind the Licensee to the truth, completeness, and accuracy of the information contained in the Notification or Mitigation Report;

"Notification" means a notification which contains at a minimum the:

- i. the name of the reporting licensee;
- ii. the date and time of the onset of the Vulnerability or Threat;
- iii. a description of the Vulnerability of Threat including, if available, geographic area or number of customers affected;
- iv. risk assessment of the Vulnerability or Threat;
- v. potential impact to critical national infrastructure;
- vi. potential threat to public health and safety;

- vii. immediate mitigations available to address the identified Cyber Vulnerability or Threat;
- viii. affected party responsiveness and feasibility for remediating the identified Vulnerability and limiting any further Threat;
- ix. affected party estimate of time required for application of remediation measures including patch testing and application; and,
- x. whether the identified Vulnerability or Threat has already been publicly disclosed.

“Mitigation Report” means a report which contains all pertinent information on the Cyber Vulnerability or Threat and contains at a minimum the:

- i. name of the Licensee;
- ii. the date and time of onset of the Cyber Vulnerability or Threat;
- iii. a description of the problem;
- iv. services affected by the Cyber Vulnerability or Threat;
- v. third party licensees affected;
- vi. time of restoration;
- vii. the geographic area/s affected by the Cyber Vulnerability or Threat;
- viii. the number of customers affected by the Cyber Vulnerability or Threat;
- ix. the cause of the Cyber Vulnerability or Threat;

- x. corrective actions taken;
- xi. actions taken to prevent the Cyber Vulnerability or Threat happening again; and,
- xii. a contact name and contact telephone number by which the Office's technical staff may contact the Licensee.

“Submit electronically” means the submission of the relevant information via email to the Office’s outagereports@ofreg.ky or such other reporting systems as may be identified by the Office from time to time.

“Cyber Vulnerability or Threat” means a given Threat that will likely exploit or has exploited the Vulnerabilities of an asset or group of assets and thereby caused harm to the ICT Facilities or ICT Services, and is measured in terms of a combination of the likelihood of occurrence of an event and its consequence;

“Vulnerability” means a characteristic or specific weakness that renders a Licensee (including that Licensee’s assets) open to exploitation by a given Threat.

“Threat” means a circumstance or event that has or indicates the potential to exploit the Licensee’s ICT Facilities or ICT Services, to impact adversely a Licensee’s operations, assets (including information and information systems), employees (including contractors and agents of), and customers and includes a threat of or actual unauthorised (malicious or accidental) disclosure, modification, or destruction of information; disruptions due to natural or man-made interventions; and failure to exercise due care and diligence in the implementation and operation of the ICT Facility.

24 NET NEUTRALITY

24.1 The Licensee shall treat all internet traffic equally, when providing internet access services, without discrimination, restriction or interference, and irrespective of the sender and receiver, the content accessed or distributed,

the applications or services used or provided, or the terminal equipment used.

24.2 Licensees shall not engage in Internet traffic management measures, and in particular shall not block, slow down, alter, restrict, interfere with, degrade or discriminate between specific content, protocols, applications or services, or specific categories thereof, EXCEPT AS NECESSARY, and only for as long as necessary for the purpose for which they were introduced, in order to:

(a) comply with orders by courts or public authorities vested with relevant powers;

(b) preserve the integrity and security of the network, of services provided via that network, and of the terminal equipment of end Users; and,

(c) prevent impending or mitigate the effects of exceptional or temporary network congestion, provided that equivalent categories of traffic are treated equally.

25 CONTENT STANDARDS

25.1 Pursuant to *sections 55 to 57 of the ICT Law*, in the event the Office sets, reviews and revises standards for the content of broadcasts as contained in one or more published codes, the Licensee shall comply with such codes.

26 LOCAL CONTENT

26.1 The Licensee shall broadcast a Local Content channel as part of its subscription television service.

26.2 Any subscriber wishing to receive the Licensee's Local Content channel shall be provided such, either via wire line or via free-to-air broadcast technology, within a reasonable time frame and at no cost to the subscriber. This includes all manner of device required to provide that channel into the

subscriber's premises. This condition in no way gives right to any Licensee to rebroadcast in any format the content of another licensee without that licensee's express consent.

- 26.2 The Local Content channel shall, at a minimum, broadcast 20% local content which shall include such items as local talk shows, educational, cultural and religious programming, live sporting events, government information services and live coverage of the proceedings of the legislature.
- 26.3 The Local Content channel shall involve programming offered 24 hours a day, 7 days a week, 365 days a year.
- 26.4 In addition to such Licence Conditions as specified elsewhere in this Licence with respect to the broadcast of content, the Licensee shall comply with applicable directions made by the Office under **Condition 26.5**.
- 26.5 The Office may from time to time issue a direction under this condition as to what content the Licensee shall broadcast.
- 26.6 For the purposes of this Condition, the following definitions shall apply:
- “**Local**” means the Cayman Islands; and,
- “**Local Content**” means good quality, Locally-produced, content.

ANNEX 1

1 LICENSED ICT FACILITIES AND ICT SERVICES

- 1.1 The Licensee is Authorised to operate the following ICT Facilities as defined by the Office under the provisions of *section 23(2) of the ICT Law* and published in a Notice in the Gazette:

Type	Description	Term
		Ten (10) Years

- 1.2 The Licensee is Authorised to supply the following ICT Services as defined by the Office under the provisions of *section 23(2) of the ICT Law* and published in a Notice in the Gazette:

Type	Description	Term
		Ten (10) Years

ANNEX 1A

Roll Out Schedule

ICT Facilities

[As agreed with the Licensee]

ICT Services

[As agreed with the Licensee]

DRAFT TELECOMS ICT LICENCE
TEMPLATE

ANNEX 1B

Caymanian Participation

The following identifies the nature and extent of Caymanian participation, including without limitation, the level of beneficial ownership by Caymanians, if any, and any participation by Caymanians as directors, management or otherwise and the dates upon which such participation will be achieved.

Equity Participation: **[As agreed with the Licensee]** % Caymanians as from the Licence Commencement Date.

Employees: **[As agreed with the Licensee]** % Caymanians as from the Licence Commencement Date.

Directors: **[As agreed with the Licensee]** % Caymanians as from the Licence Commencement Date.

DRAFT TELECOMPLAINT LICENCE

ANNEX 2

LICENCE FEES

1 LICENCE FEES

1.1 Definitions:

“Allowable Expenses” means payments made to Other Licensees for interconnection, infrastructure sharing, and Wholesale Services;

“Annual Revenue” means, for any Licensee Financial Year, the Annual Turnover less:

- (a) Allowable Expenses (if any of these payments are made to an Affiliate, they shall be excluded from Annual Revenue only to the extent that those payments are made at open market value on an arm’s-length basis); and
- (b) non-recurring extra-ordinary items of receipt (including real estate) not made in the ordinary course of business.

“Annual Turnover” means the total amount of money or money's worth earned by the Licensee from all sources arising out of or in connection with the Licensee's business in or from the Cayman Islands (which includes any fees derived from the use by the Licensee or a third party to advertise, whether directly or indirectly, on the channels broadcasted by the Licensee) in any Licensee Financial Year of the Licence (money or money's worth earned from transactions with Affiliates are to be included as if those transactions are made at a minimum of open market value on an arm's length basis).

“Audit” means an audit performed by a professionally qualified external auditor and certified by an independent firm of Chartered Accountants or Certified Public Accountants.

“Audited Financial Statements” means, at the Licensee's option, either:

- (a) audited Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, Annual Turnover and Annual Revenue statements (including audits of amounts of Annual Turnover earned as money or money's worth, Annual Turnover earned from Affiliates, payments to Affiliates, and

other deductions from Turnover) and such other statements as the Office may reasonably prescribe, all in respect of the Licensee's business in or from the Cayman Islands for a Licensee Financial Year during the Term of the Licence; or

(b) audited statements of Annual Turnover and Annual Revenue (including audits of amounts of Annual Turnover earned as money or money's worth, Annual Turnover earned from Affiliates, payments to Affiliates, and other deductions from Turnover) and such other statements as the Office may reasonably prescribe, all in respect of the Licensee's business in or from the Cayman Islands for a Licensee Financial Year during the Term of the Licence.

“Dispute Notice” shall have the meaning set out in **paragraph 2.1. of this Annex.**

“ICT Sector” shall mean all those activities identified as ICT Services and ICT Facilities in the *section 23(2) Notice*.

“Licensee Financial Year” means the Licensee's accounting period of twelve consecutive months at the end of which account books are closed and annual financial reports are prepared.

“Quarter” or “Quarterly” means a period of three (3) calendar months commencing 1 July, 1 October, 1 January and 1 April. For purposes of the initial quarter it shall mean the period from the Licence Commencement Date to the end of the applicable Quarter.

“Quarterly Revenue” means the Quarterly Turnover less:

- (a) Allowable Expenses (if any of these payments are made to an Affiliate, they shall be excluded from Quarterly Revenue only to the extent that those payments are made at open market value on an arm's-length basis); and
- (b) non-recurring extra-ordinary items of receipt (including real estate) not made in the ordinary course of business.

“Quarterly Turnover” means the total amount of money or money's worth earned by the Licensee from all sources arising out of or in connection with the Licensee's business in or from the Cayman Islands (which includes any fees derived from the use by the Licensee or a third party to advertise, whether directly or indirectly, on the channels broadcasted by the Licensee) in any Quarter (money or money's worth earned from transactions with Affiliates are to be included as if those transactions are made at a minimum of open market value on an arm's length basis).

“Regulated Financial Year” means a period of twelve (12) months commencing 1 July and ending on 30 June.

“Regulatory Fee” means a fee payable to the Office which is determined by multiplying the Office’s costs relating to the ICT Sector, for a Quarter, which the Office has determined should be paid by Licensees in ICT Sector, by the Quarterly Revenue of the Licensee, divided by the total Quarterly Revenue of all licensees in ICT Sector. The amount of the fee shall be established and published by the Office thirty (30) calendar days prior to each Quarter and shall be based on data from the Quarter immediately preceding the Quarter in which the date of publication falls. The specific calculation and filing procedures shall be prescribed and published by the Office in a licence fee guidelines document.

“Statement of Cash Flows” means the statement of the Licensee’s cash flow activities, particularly its operating, investing and financing activities for a given quarter or financial year of the Licensee;

“Statement of Comprehensive Income” means the statement of the Licensee’s income, expenses, and profits for a given quarter or financial year of the Licensee;

“Statement of Financial Position” means the statement of the Licensee’s assets, liabilities, and shareholders’ equity at the end of a given quarter or financial year of the Licensee, separating current assets and liabilities from non-current assets and liabilities;

“Wholesale Services” means ICT services provided by the Licensee to another Licensee pursuant to a Condition of this Licence or to an administrative determination, order, decision, determination, rule or regulation of the Office.

“Turnover” means Quarterly Turnover and/or Annual Turnover, as applicable in the circumstances.

“Unaudited Financial Statements” means a Statement of Financial Position, Statement of Comprehensive Income and a Statement of Cash Flows, that have not been audited, all in respect of the Licensee’s business in or from the Cayman Islands.

1.2 Licence Fee Procedures and Payment

(a) Not later than **fifteen (15) calendar days** following the end of the Quarter the Licensee shall deliver to the Office a licence fee report showing the amount of Quarterly Turnover broken down in a manner prescribed by the Office, Quarterly Revenue and all calculations applied, and Unaudited Financial Statements. The Licensee may be required by the Office to

provide further information in respect of the Licence Fee calculated (including a description of how the Licensee arrived at the Quarterly Turnover).

(b) At the same time as provision of the information specified in subparagraph (a) above, the Licensee shall deliver a cheque payable to the Office which shall be equal to six per cent (6%) of the Quarterly Revenue together with an amount equal to the Licensee's Quarterly Regulatory Fee.

(c) The Licensee shall include, when providing the information specified in subparagraph (a) and (d), an affidavit signed by an officer of the Licensee attesting to the veracity and completeness of the information provided and that the Licensee has reported all Turnover.

(d) The Licensee shall deliver to the Office **within three (3) months** of the end of the Licensee's Financial Year a full set of Audited Financial Statements. If the Audited Financial Statements, as accepted by the Office, show that the Licensee has under paid the Licensee Fee, a further sum in the amount of that under payment shall be paid to the Office. In the event the Audited Financial Statements show that the Licensee has overpaid, a credit shall be applied to the subsequent year's Licence Fee.

2. DISPUTE RESOLUTION

2.1 Within **90 calendar days** of the receipt by the Office of the Licensee's Unaudited Financial Statements in accordance with **paragraph 1.2(a)** of this Annex or the receipt of the Licensee's Audited Financial Statements in accordance with **paragraph 1.2(d)** hereof (as the case may be), the Office may serve the Licensee with a Dispute Notice stating the grounds upon which the Office disputes the exclusion of any item from Turnover or the inclusion of any item as a deductible from Turnover for the purposes of calculating Quarterly Revenue or Annual Revenue as (the case may be) in accordance with the terms of this Annex.

2.2 The Licensee and the Office shall thereupon use their reasonable endeavours to reach a settlement in writing of the said Dispute Notice provided that, where such dispute has not been resolved to the reasonable satisfaction of the Office within 28 days of the receipt by the Licensee of the Dispute Notice, the dispute shall be referred to an independent Arbitrator (an accountant or attorney) to be agreed between the Licensee and the Office **within 14 days** thereafter who shall determine such dispute in accordance with the *Arbitration Law, 2012* (as amended from time to time).

- 2.3 In the event that the Office and the Licensee are unable to agree on the identity of such an independent Arbitrator, the Licensee and the Office shall refer the choice of such an Arbitrator to the President for the time being of the Cayman Islands Chamber of Commerce whose decision shall be final and binding.
- 2.4 The decision of the independent Arbitrator in respect of the Dispute Notice shall be final and binding and the costs of the fees charged by the independent Arbitrator for adjudicating on the Dispute Notice shall be paid to the Arbitrator by the party against whom the said Dispute was resolved.

3. **AUTHORISED FREQUENCIES FEE**

- 3.1 By the first day of each Regulated Financial Year, the Licensee shall pay to the Office a fee (the “**Authorised Frequency Fee**”) as determined by the Office from time to time for each radio transmitter per channel used or to be used by the Licensee within that Regulated Financial Year.
- 3.2 The Authorised Frequencies Fee is to be set on the following principles:
- (a) The total amount collected each Regulated Financial Year for Authorised Frequency Fees from all Licensees (including the Licensee) shall not exceed the Office’s annual estimated cost of electromagnetic spectrum management and other related activities.
 - (b) The Authorised Frequencies Fee shall be set to be the same for all the same types of transmitters used or to be used, irrespective of the use of the transmitter or the spectrum used by the transmitter.
 - (c) If, during the Regulated Financial Year, additional radio transmitters or additional channels are used by the Licensee that were not included in the Authorised Frequencies Fee payment provided for above at the start of the Regulated Financial Year, the Authorised Frequencies Fee for such new radio transmitters and channels apply for that regulated Financial Year with no proration of that fee and should be paid accordingly.

ANNEX 3A

UNIVERSAL SERVICE

This Annex is reserved for terms and conditions pertaining to any Universal Service obligation or contribution to the cost of Universal Service Fund, which the Office may, following a consultative proceeding, require in accordance with **Condition 16** of the Licence.

ANNEX 3B

SIGNIFICANT MARKET POWER

This Annex is reserved for terms and conditions pertaining to any Significant Market Power obligation(s) which the Office may, following a consultative proceeding, require in accordance with **Condition 17** of the Licence.

ANNEX 3C

CONTENT STANDARDS

This Annex is reserved for terms and conditions pertaining to any Content Standards obligation which the Office may, following a consultative proceeding, require in accordance with **Condition 25** of the Licence.

ANNEX 3D

LOCAL CONTENT

This Annex is reserved for additional terms and conditions pertaining to any Local Content obligation which the Office may, following a consultative proceeding, require in accordance with **Condition 26** of the Licence.

ANNEX 4¹**Authorised Frequencies and Transmitters**

Frequency	Description	Transmitter & Antenna Information	

Spectrum Frequency Assignment

Spectrum is issued annually on the basis of the number of transmitters and frequencies

Number Allocations

Numbers	NXX	Comments	In Service Date

¹ Note – the type and number of boxes will change depending on each particular Licensee's requirements and can also include references to such matters as short codes and submarine cables.

ANNEX 5

Subscriber Protection and Privacy

1. Description of ICT Services

- 1.1 The Licensee's ICT Services and the retail rates for such services are to be clearly described and be up to date in its marketing materials and on its website. Such information is not limited to, but must include:
- a) information on any procedures put in place by the Licensee to measure and shape traffic so as to avoid filling or overfilling a network link, and information on how those procedures could impact on service quality;
 - b) any restrictions imposed by the Licensee on the use of terminal equipment supplied; and,
 - c) the type of action likely to be taken by the Licensee in reaction to security or integrity incidents or threat and vulnerabilities.
- 1.2 The Licensee's marketing materials and website shall clearly state how subscribers may contact it. Such contact information to include a valid telephone, e-mail address and website.

2. Disclosure of Contract Terms and Terms of Service

- 2.1 The Licensee's subscriber contracts shall clearly set out the rates, terms and conditions of the Licensee's ICT Services. The Licensee's ICT Services shall be described in a manner such that Subscribers are able to tell in advance what the ICT Services will cost, where and how well the Licensee's ICT Services will work.
- 2.2 The Licensee's Terms of Service shall form part of the Licensee's Subscriber contracts. The Licensee's Terms of Service shall provide a clear description of the conditions for providing that service. At a minimum, the Licensee shall

obtain explicit written authorisation from a Subscriber in order to provide the ICT Services. An example of the Licensee's conditions for providing that ICT Service may be that an application form is properly completed; that facilities are available for the type of ICT Service required; and that there are no outstanding bills for services previously supplied by the Licensee.

3. Customer Dispute Procedures

- 3.1 The Licensee shall establish a subscriber complaint and dispute procedures, with trained and knowledgeable staff personnel.
- 3.2 Subscribers must be allowed to dispute charges for ICT Services they do not believe they originated or authorised. A charge being disputed by a subscriber shall not be considered past due unless the Licensee has reasonable grounds for believing that the purpose of the dispute is to evade or to delay payment.
- 3.3 The subscriber complaint and dispute procedures established pursuant to **paragraph 3.1** above shall be clearly stated in the Licensee's Terms of Service. The Licensee shall make available on its website such complaint and dispute procedures.
- 3.4 The subscriber complaint and dispute procedures shall accord with the Dispute Resolution Regulations.

4. Protection of Customer Information

- 4.1 The Licensee shall have an established policy published on its website and available on request for the protection of information about the subscriber (**'Subscriber Information'**) and procedures to support that policy.
- 4.2 At a minimum, the Licensee's policy for the protection of such Subscriber Information shall include the following: unless a subscriber provides his or her Consent otherwise, all information obtained or collected by the Licensee regarding the subscriber are confidential and may not be disclosed by the Licensee to anyone other than:

- (a) the subscriber;
- (b) another Licensee, provided only that information required for the efficient and cost-effective provision of the ICT Service that has been authorised by the Subscriber is disclosed, and disclosure is made on a confidential basis with the information being used only for such purpose;
- (c) a public office or an agent of a public office if, in the reasonable judgment of the Licensee and in compliance with relevant Data Protection Laws, it appears that there is imminent danger to life or property which could be avoided or minimised by disclosure of that information;
- (d) an agent retained by the Licensee in the collection of any outstanding monies under the subscriber's account, provided that the information is required and used solely for that purpose.

4.3 The Licensee's policy for the protection of Subscriber Information shall be included in its subscriber contract, including the Licensee's contact information if a subscriber considers that the policy has been breached.

5. Payment of Customer Bills

5.1 The Licensee's subscriber contracts shall clearly state at a minimum what payments subscribers are responsible for, when bill payments are due and the last date they must be paid before incurring late payment charges.

6. Identification of Licensee Personnel

6.1 The Licensee's Terms of Service shall make it clear that every person who is authorised to perform work on behalf of the Licensee carries an identification card. If the subscriber has doubts about the authenticity of a person, the subscriber may ask to see that individual's identification card and/or call the Licensee's office before allowing the Licensee's representative on their premises to undertake the necessary work.

7. Suspension and Termination of Service

- 7.1 The Licensee's Terms of Service shall describe the conditions under which subscribers may terminate their contract with the Licensee for the provision of the ICT Services.
- 7.2 Subscribers who give reasonable advance notice to the Licensee may terminate their ICT Services after expiry of the minimum contract period, in which case, they must pay only those charges due for the ICT Services which have been provided to them by the Licensee.
- 7.3 The Licensee may levy a termination charge based solely on the direct costs associated with terminating the ICT Service
- 7.4 The Licensee's Terms of Service shall make clear the circumstances under which the Licensee may suspend or terminate the ICT Service(s) (e.g. where a subscriber fails to pay an account that is past due or exceeds a specific dollar amount that is reasonable for the ICT Service).
- 7.5 The Licensee to give due warning to the subscriber beforehand of any consequent service interruption or disconnection.
- 7.6 The Licensee may suspend or terminate a subscriber's local voice services only during normal business hours.

8. Notice of Service Changes or Rate Changes

- 8.1 The Licensee's Terms of Service shall clearly state the minimum notice period to be provided to existing subscribers for changes to services and/or rates.
- 8.2 The minimum notice period should be reasonable for the service provided.
- 8.3 After the expiry of a subscriber's minimum contract period, that subscriber's contract can only be renewed for a new minimum contract period with that subscriber's express consent.

9. Subscriber Deposits

- 9.1 The Licensee's Terms of Service shall indicate whether a subscriber deposit is required and the reason for that deposit. The deposit amount should be reasonable and be related to the use of the Licensee's equipment, credit worthiness of the subscriber or for other similar reasons.
- 9.2 Upon termination of the ICT Service, the Licensee shall within **one hundred and twenty (120) calendar days** refund to any such subscriber all monies deposited including interest thereon as provided in the Licensee's Terms of Service for that subscription, less any monies owed by the subscriber for unpaid bills.
- 9.3 The Licensee shall keep all such deposits in a separate trust account established by the Licensee with the beneficial right to the monies in such account designated in favour of subscribers making security deposits.

DRAFT TELECOMS LICENCE TEMPLATE

ANNEX 6

TO APPLY TO A LICENSEE LICENSED TO PROVIDE A TYPE 7, 8 OR 9 ICT SERVICE IN PART I OF THE SECTION 23 REGULATORY NOTICE ISSUED FROM TIME TO TIME PURSUANT TO THE INFORMATION AND COMMUNICATIONS TECHNOLOGY LAW (2019 REVISION) - OR ITS EQUIVALENT

AUDIENCE FEEDBACK PROCEDURES

1. The Audience Feedback System

- 1.1 The Licensee shall set-up and have in place a system for accepting, handling and responding to Complaints made by a member of its Audience about its broadcast content ("**Audience Feedback**").

2. Easily accessible and well publicised

- 2.1 The Licensee's Audience Feedback system shall include easily accessible and well-publicised mechanisms for receiving and resolving Audience Feedback.
- 2.2 The Licensee's Audience Feedback shall enable persons to provide feedback – in person, in writing (including email) and by telephone.
- 2.3 The Licensee shall provide and publicise easily accessible information, including on the homepage of its website, about how and to whom its Audience may provide their feedback, including a contact, a phone number and an address for the Licensee.
- 2.4 On receipt of a complaint by an Audience member, the Licensee shall provide information to that person that he or she may seek assistance from the Office under the Dispute Resolution Regulations (or its equivalent) if that person's complaint is not satisfactorily addressed by the Licensee within **four (4) weeks**.

3. Simple to understand and use

- 3.1 The Licensee shall handle Audience Feedback according to procedures that are simple for persons to understand and use; such procedures to be written and be at least accessible to its Audience at its main office and via a weblink on the Licensee's homepage.

4. Timely handling of complaints and comments

- 4.1 The Licensee's Audience Feedback system shall include established time limits for handling and responding to such complaints within **four (4) weeks** of their receipt.
- 4.2 The Licensee shall ensure its staff are trained to handle Audience Feedback in such a timely manner.

5. Respect an Audience member's request for confidentiality

- 5.1 The Licensee's Audience Feedback system shall respect a person's request for confidentiality, where appropriate.
- 5.2 The Licensee shall ensure its employees are trained to deal with individual Audience Feedback in confidence.
- 5.3 The Licensee shall comply with all applicable data protection laws.
- 5.4 The Licensee shall have an established policy published on its website and available on request for the protection of Audience information and procedures to support that policy.

6. Provide an effective response to complainants and comments

- 6.1 The Licensee's Audience Feedback system shall include provisions to allow its employees to provide an effective response to complaints.
- 6.2 The Licensee shall provide a substantive response to all complaints made to the Licensee.

6.3 The Licensee's Audience Feedback system shall allow Licensee employees to express regrets spontaneously, regardless of the nature of the complaint or comment.

6.4 Where the Audience member considers that his or her complaint has not been appropriately dealt with by the Licensee after **four (4) weeks** of the complaint being made, that person may seek assistance from the Office under the Dispute Resolution Regulations (or its equivalent).

7. Provide information to management so that services can be improved

7.1 The Licensee's Audience Feedback system shall be enabled to provide appropriate information to the Licensee's management on the quality and appropriateness of its broadcast content so that such content can be monitored and improved.

7.2 The Licensee shall develop and maintain a system for recording Audience Feedback, including information on the numbers and types of comments received, and such Audience Feedback shall be kept by the Licensee *on an anonymised basis* for a period of **one (1) year** as from the date it is received.

7.3 The Licensee shall periodically review trends in the types and nature of Audience comments (including Complaints) received.

7.4 The Licensee shall monitor the effectiveness of staff training in handling Audience Feedback.

7.5 The Licensee shall keep recordings of its broadcast content, such recordings to be of the same quality as the relevant broadcast, for a period of **twenty-eight days** after the broadcast of that content.

7.6 Where a Complaint is received about that broadcast content within the timeframe provided for in **paragraph 7.5** above, the Licensee shall not destroy the broadcast content about which the Complaint has been made until such time as that Complaint has been satisfactorily resolved (which

includes where the Office considers the Complaint under the *Dispute Resolution Regulations*).

- 7.7 The Licensee shall provide to the Office, on request, a copy of some or all of the recordings referenced in **paragraph 7.5** above; such recordings to be provided to the Office free of charge.

8. Identification of Licensee Personnel

- 8.1 Every person who is authorised to perform work on behalf of the Licensee shall carry an identification card which includes that person's name and picture, which Licensee that person works for, and a contact number of the Licensee's main office to check the authenticity of that person.
- 8.2 If a person has doubts about the authenticity of any person purporting to act on behalf of the Licensee, that person may ask to see that individual's identification card and/or call the Licensee's main office to check the person's authenticity before allowing the Licensee's representative on their premises to undertake the necessary work.

DEFINITIONS

"Audience" means either a listener of a radio programme, or a viewer of a television programme, provided by the Licensee, as the context provides.

"Complaint" means:

- a) an expression of dissatisfaction made by a member of the Licensee's Audience related to either:
- i) the Licensee's provision of the licensed ICT Service to the Audience;
or
 - ii) the complaint-handling process itself; and

b) where a response or resolution is explicitly or implicitly expected.

DRAFT TELECOMS ICT LICENCE
TEMPLATE

Appendix 1: Consultation Questions

QUESTION 1: Provide your views on the proposed changes set out in the draft Regulatory Notice.

QUESTION 2: Provide your views on the proposed changes to the ICT licence template.

QUESTION 3: Provide your views on any other matters you consider relevant to this Consultation.

QUESTION 4: Do you agree that the Office should offer the ICT licence template to applicants for new ICT licences, and applicants for the renewal of existing ICT Licences only? Please provide a detailed explanation of your reasoning.