



~~Information and Communications~~



DRAFT RADIC

TEMPLATE

UTILITY REGULATION AND COMPETITION OFFICE

TECHNOLOGY AUTHORITY

LICENCE TO [...].[...]

Document Number: RL [...]

Date: [...]

DRAFT RADIO LICENCE TEMPLATE



Date: [...]

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LICENCE ISSUED TO

[...]

under Part III of

THE INFORMATION AND COMMUNICATIONS TECHNOLOGY ~~AUTHORITY~~-LAW (2017~~0~~ REVISION)

The Utility Regulation~~Information~~ and Competition Office~~Communications Technology Authority~~, in exercise of the powers conferred on it by Section 23 of the Information and Communications Technology ~~Authority~~-Law (2017~~0~~ Revision), grants to [...] a Licence to establish, operate and maintain the Information and Communications Technology Networks and/or provide Information and Communications Technology Services as provided for these terms are defined in ~~the Conditions of~~ this Licence, SUBJECT TO~~subject to~~ the Conditions, all decisions, orders, regulations, resolutions and rules made by the Utility Regulation and Competition Offices~~lawful directions of the Information and Communications Technology Authority~~, all applicable laws and regulations- of the Cayman Islands and applicable tariffs.

GRANTED BY THE Utility Regulation and Competition Office~~INFORMATION AND COMMUNICATIONS TECHNOLOGY AUTHORITY~~, the Cayman Islands, on this [...].

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~~[...]~~

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Chairman

Utility Regulation and Competition Office
~~Information and Communications Technology Authority~~

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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 URCICTA Law has the meaning ascribed to that word or expression by the ICTA Law and URC Law. In addition, the following expressions shall have the following meanings given to them.

“**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**;

~~“**Authority**” means the Information and Communications Technology Authority;~~

“**Compliance Plan**” means a plan submitted to the Office Authority in accordance with **Condition 89.5** and containing the information noted therein;

~~“**Conditions**” means all the clauses of this Licence, including any and all Annexes, as may be amended, revoked or added to in accordance with the Condition 14 of this Licence;~~

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

“**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;

“**Development Plan**” means a plan submitted to the Office Authority in accordance with **Condition 89.4** 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;

“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;

“ICTA Law” means the *Information and Communications Technology Authority—Law (2017 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 Networks and/or provide the specified Licensed ICT Services, subject to the Conditions;

“Licence Commencement Date” means the date specified in Condition 11;13.

“Licence Fee” means the fee or fees prescribed by the Office Authority under the provisions of sSection 30 of the ICTA Law and payable to the Office Authority by the Licensee;

“**Licensed ICT Network**” means an ICT ~~N~~etwork or Facilities specified by the ~~Office~~Authority in a Notice published in the Gazette in accordance with ~~s~~Section 23(2) of the ICTA Law as requiring a Licence;

“**Licensed ICT Service**” means an ICT ~~S~~ervice specified by the ~~Office~~Authority in a Notice published in the Gazette in accordance with ~~s~~Section 23(2) of the ICTA Law as requiring a Licence;

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

“**Office**” means the Utility Regulation and Competition Office;

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

“**Term**” means, pursuant to ~~s~~Section 28(a) of the ICTA 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~~Section 40 of the ICTA Law, when promulgated, and as further defined in **Annex 3A**;

“**Universal Service Fund**” means the fund which may be established by the ~~Office~~Authority 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 natural person who uses or listens to the networks or services of the Licensee, but is not necessarily a subscriber.

1.2 In the Licence ~~and these Conditions~~, 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; ~~and~~
- (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 as it has in the ICT Law and URC Law, where applicable.

2 SCOPE OF THE LICENCE

2.1 In accordance with ~~s~~Section 23 of the ICTA Law, this Licence authorises and requires the Licensee to establish, operate and maintain the Licensed ICT Networks and/or ~~provides~~supply the Licensed ICT Services specified in **Annex 1** for the Term specified in **Annex 1** **SUBJECT TO the Licensee complying with the subject to** Conditions of this Licence and all decisions, determinations, directions, orders, regulations, resolutions and rules made by the Office, and all applicable Laws and regulations applicable laws of the Cayman Islands. The requirement for the Licensee to establish, operate and maintain the Licensed ICT Networks and/or provide the ICT Services means, at a minimum, that the Licensee will,

unless otherwise agreed to by the OfficeAuthority, meet the roll out plan specified in **Annex 1A**.

2.2 In accordance with sSection 23 of the ICTA 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 authorisezed in writing by the OfficeAuthority, 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 OfficeAuthority for the use of the Authorised Frequencies. authorised frequencies. The OfficeAuthority 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 OfficeAuthority.

2.3 All ICT Services and all ICT Networks subject to licensure under the ICTA Law and operated by the Licensee are subject to regulation by the Office Authority. Nothing in this Licence shall be taken to mean or imply any derogation of, or limitation on, the exercise by the OfficeAuthority of all its duties, functions and responsibilities contained in the ICTA 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 Network or Licensed ICT Services and for the exercise of its rights or discharge of its obligations under this Licence and the ICTA 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 OfficeAuthority, including without limitation information relevant to business conducted between the Licensee and its Affiliates; and₁

(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 ~~a~~Application for an ICT Licences 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 ~~necessitates the filing of an application to amend the Licences granted.~~

3 LICENCE FEE

3.1 The Licence Fees payable by the Licensee for the establishment, operation and management of the Licensed ICT Networks and/or provision of the Licensed ICT Services specified in this Licence under the provisions of ~~s~~Section 30 of the ICTA Law ~~are~~shall be as specified in **Annex 2**.

~~3.2 The Licence Fees for each class of Licensee shall be non-discriminatory.~~

The Licence Fees referred to in **Condition 3.1** shall be payable directly by the Licensee to the Office Authority 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 Networks and/or provision of the Licensed ICT Services specified in this Licence, and thereafter for the Term(s).

3.3 The Office Authority 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 Authority.

3.4 Without prejudice to any other remedies of the Office Authority under this Licence or the Laws of the Cayman Islands, if the Licensee fails to pay any amount due to the Office Authority 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 Authority'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.

4.14.2 Authority—The Licensee shall provide to the Office Authority in the manner and at the times required by the Office Authority, 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 Network 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 Authority with a comprehensive report on its anticipated use of the radio frequency spectrum for the following year and shall update the report as requested by the Office Authority from time to time.

4.4 The Office Authority may conduct, from time to time, or may delegate to a suitably qualified person as the Office Authority 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 Authority shall notify the Licensee of the objectives and scope of any examination, investigation or audit carried out under **Condition 4.43** in advance of the commencement of such examination, investigation or audit, except where the Office Authority 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 4.43** 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 4.43** 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 4.43**.

4.8 The Licensee shall provide any and all assistance requested by the Office Authority in relation to any such examination, investigation or audit; such request to be made on reasonable notice EXCEPT, ~~except~~ where the Office Authority has reasonable grounds for believing the Licensee is or has been acting fraudulently or contrary to Laws of the Cayman Islands law.

4.9 The Office Authority may give the Licensee a notice ~~issue directions~~ 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 Authority conducts or delegates an examination, investigation or audit in accordance with Condition ~~Conditions 4.1 and/or 4.43~~, the Licensee shall allow the authorised representative of the Office Authority, 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 take copies of any documents; and
- (c) 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 ~~public interest~~ audit;
- (d) require that any information be formatted and conveyed in any manner deemed appropriate.

4.11 The Office Authority or such other person who has been delegated by the Office Authority to conduct an examination, investigation or audit under **Condition 4.43** 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 ICTA 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 ~~direction~~, determination, direction, decision request or order, regulation, resolution or rule duly issued by the ~~Office~~ Authority under the ICTA Law, ~~the~~is Licence, or any law, regulation or rule of the Cayman Islands that is applicable;
- (c) the Plans submitted pursuant to **Condition 89**; 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 Networks 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 Authority of the obligation(s) obligations which it is prevented from performing, and the reason why, ~~as soon as reasonably practicable~~; and
- (b) the Office Authority 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, directions issued by the Office Authority and applicable tariffs, if any, and subject to any revocation or suspension by the Office Authority, for the Term.

7.2 Pursuant to ~~s~~Section 29 of the ICTA 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 determination of the Licence, Authority requesting a renewal of this Licence.

7.3 Within the one hundred and eighty (180) calendar days provided for in ~~receiving a notice under~~ **Condition 7.2**, or such further period as may be agreed with the Licensee, the Office Authority 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 Authority to enable it to make the notification within the required time.

PART II GENERAL PROVISIONS : SERVICE OBLIGATIONS

~~8~~ UNIVERSAL SERVICE~~8~~

~~Pursuant to Section 42 of the ICTA Law and, in the event the Authority issues a directive, rule or regulation pursuant to the provision of Universal Service, the Licensee may be obligated to provide some or all of the services classified as Universal Services. In the event of such obligation, the Licensee will be designated a Universal Service provider for those services. The Authority may, following a public consultation process require the licensee to undertake a Universal Service Obligation, the terms for which will be incorporated into this Licence as an amended Annex 3.~~

~~Pursuant to Section 43 of the ICTA Law and, in the event the Authority issues a directive, rule or regulation pursuant to the provision of Universal Service, the Licensee shall contribute to the cost of the provision of the Universal Service Obligation as, and if, required by the Universal Service Regulations, unless the Licensee is exempt from that requirement in accordance with a directive from the Authority to that effect. The Authority may, following a public consultative process, require the Licensee to contribute to the cost of Universal Service at any time during the Term of the Licence, the terms for which will be incorporated into this Licence as an amended Annex 3.~~

9 DEVELOPMENT OF LICENSED ICT NETWORKS AND LICENSED ICT SERVICES

8.1 The Licensee shall comply at all times with relevant standards develop and/or specifications established by the Office to establish, operate and manage the Licensed ICT Networks (including ICT Network equipment) and/or provide the Licensed ICT Services **OTHERWISE** the Licensee shall establish, operate and maintain the Licensed ICT Networks and/or provide the and Licensed ICT Services according to standards of performance in line with international best practices.

~~8.2 The Licensee shall comply at all times with relevant standards established by the Authority.~~

The Licensee shall submit to the Office~~Authority~~ a Development Plan and a Compliance Plan, together known as “**the Plans**”. Any and all matters to be included in the Plan~~these plans~~ may be added to, deleted or substituted by the Office~~Authority~~ at any time during the Term of this

Licence. The Plans may be submitted in confidence in accordance with the Confidentiality RegulationsRules.

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 detailscoordinates of key management responsible for and authorised to respond to the OfficeAuthority 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 Networks 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;
- e) the manner in which financial data will be captured, and reported and verified for purposes of the Licence Fee, including providing the OfficeAuthority 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 OfficeAuthority 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 Authority from time to time.

8.5 The Office Authority may direct the Licensee to update and resubmit the Plans from time to time.

8.6 The Office Authority 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 Authority 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 twelve-month period during the Term, the Licensee shall, unless otherwise approved or directed by the Office Authority, provide the Office Authority with the Plans whereby the Development Plan will address the subsequent twelve months and the Compliance Plan will address the preceding twelve months.

8.9 The Licensee shall comply with any directions issued by the Office Authority from time to time regarding any ~~other~~ quality of service indicators, measurement methods and compliance requirements, as may be reasonably required, for the Licensed ICT Networks and Licensed ICT Services.

8.10

The Licensee shall on request by the Office Authority supply the results of its measurements of actual performance against any quality of service indicators and measurements which the Office Authority may publish or require publication of such information as it considers appropriate.

10 9 LICENSEE'S OBLIGATIONS TO USERS

9.1 The Licensee shall, in accordance with the ICTA Law, take such steps as are reasonably necessary to ensure that, in relation to its Licensed ICT Networks and/or Licensed ICT Services as applicable, Users can

reasonably and reliably have access to Information Services ~~information services~~ to assist them with queries relating to the Licensed ICT Services.

9.2 The Licensee shall use its best endeavours to meet the quality of service commitments set out in the Development Plan and **Conditions 9.8.9 and 89.10**. A repeated failure to meet such quality of service obligations shall be regarded as a breach of this Licence.

9.3 The Licensee shall comply with the requirements set out at Annex 5 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 Authority's Dispute Resolution Regulations, or such other regulations, rules or conditions as the Office may prescribe, ~~Rules~~ 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 ~~listener feedback procedures~~ for the provisioning of Licensed ICT Services to Users which, at a minimum, comply with the Audience ~~Listener~~ Feedback Procedures ~~stipulated~~ in **Annex 5**.

~~9.10.6~~ The Office Authority may issue directives, rules or regulations which shall replace **Annex 5** 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 ~~11~~ **REGULATORY TREATMENT**

~~11.1~~ Market 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, may require the Authority to issue directives and, rules or regulations concerning the regulatory treatment of the Office. Licensee. In the such 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. any such directives, rules or regulations as issued by the Authority.~~

10Part III- General Provisions

12 ASSIGNMENT

10~~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~~Authority~~.

11~~12~~.2 ~~Condition 12.1 shall not apply where the assignment, conveyance or transfer results from an internal reorganization of a body corporate that involves no change in the beneficial ownership thereof. The Licensee shall give prior notification to the Authority of the nature and extent of such assignment, conveyance or transfer.~~

13 LICENCE COMMENCEMENT DATE

11~~13~~.1 This Licence shall take effect on the date granted by the Office~~Authority~~.

12~~14~~ AMENDMENTS

12~~14~~.1 Subject to s~~Section~~ 31 of the ICTA Law, no amendments or additions to this Licence shall be valid unless in writing and signed on behalf of the Office~~Authority~~.

13~~15~~ COMPLIANCE WITH LAWS

13~~15~~.1 The Licensee shall comply at all times with applicable L~~aws~~ and regulations of the Cayman Islands.

13~~15~~.2 The Licensee, in accordance with sub~~section~~ 23(4) of the ICTA Law, may be exempt from complying with the Local Companies (Control) Law (2015~~07~~ Revision), as amended from time to time. Nonetheless, the Licensee shall comply with the level and degree of Caymanian participation stipulated in **Annex 1B**.

Annex 1

PART III: SERVICE OBLIGATIONS

14 CONTENT STANDARDS

14.1 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.

15 LOCAL CONTENT

15.1 In addition to such Licence Conditions as may be 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 15.2**.

15.2 The Office may from time to time issue a direction under this condition as to what content the Licensee shall broadcast.

16 UNIVERSAL SERVICE

16.1 Pursuant to 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 sections 44 to 45 of the URC Law, the Licensee shall provide ICT Services and/or ICT Networks in those relevant markets on such terms and conditions as so set out (and reflected in **Annex 3B**).

ANNEX 1

1 LICENSED ICT NETWORKS AND ICT SERVICES

1.1 The

~~1 LICENCED ICT NETWORK AND ICT SERVICES~~

~~1.1~~ The Licensee is Authorized to operate the following ICT Networks as as defined by the OfficeAuthority under the provisions of sSection 23(2) of the ICT Law and published in a Notice in the Gazette:

Type	Description	Term
F	Broadcast Network	<u>Five (5) Years</u>
S	Spectrum*	

* See Annex 4.

1.2: The Licensee is ~~A~~authoriszed to supply the following ICT Services as defined by the ~~Office~~Authority under the provisions of ~~s~~Section 23(2) of the ~~ICTA~~ Law and published in a Notice in the Gazette:

Type	Description	Term
8	Sound-Broadcasting*	<u>Five (5) Years</u>

ANNEX 1A

Roll Out Schedule

ICT Networks

[As agreed with the Licensee]

~~* The Authority shall have the right to impose upon the Licensee additional obligations concerning the Type 8 ICT Service which may include obligations pertaining to such matters as programming and content.~~

Annex 1A

Roll-Out Plan

ICT ServicesNETWORK

[As agreed with the Licensee]

[...]

ICT Service(s)

[...]

DRAFT RADIO 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.

Equity participation: [...]

Employees: [...]

Directors: [...]

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:

Allowable Expenses

- (a) ~~payments made to Other Licensees for interconnection, infrastructure, and wholesale services and settlement payments made to international carriers for international traffic, including adjustments to payments for such traffic~~ (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

n

- (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 receipts in money or money's worth earned received 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 broadcast by the Licensee) in any Licensee Financial Year of the Licensee (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, balance sheet, profit and loss statement, cash flow statement, detailed 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 Authority 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 clause section 2.1. of this Annex.

“ICT Sector One” shall mean all those activities identified as ICT Services and ICT Networks in the sSection 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 year.

“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:

Allowable Expenses

- (a) ~~payments made to Other Licensees for interconnection, infrastructure and wholesale services and settlement payments made to international carriers for international traffic, including adjustments to payments for such traffic~~ (if any of these payments are made to an Affiliate, they shall be excluded from ~~Quarterly~~ Annual Revenue only to the extent that those payments are made at open market value on an arm’s-length basis); and

n

- (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 ~~receipts in~~ money or money’s worth ~~earned~~ received 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 broadcast 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 Authority which is determined by multiplying ~~the~~ the Office’s Authority’s costs relating to the ICT Sector, for a Quarter, ~~which the~~ the Office Authority has determined should be paid by Licensees ~~in ICT Sector One~~, by the Quarterly ~~Revenue~~ Revenue of the Licensee,

divided by the total Quarterly Revenue of all licensees in ICT Sector. ~~One.~~ The amount of the fee shall be established and published by the ~~Office~~ Authority 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~~ Authority in a licence fee guidelines document to be issued within sixty (60) days from the Licence Commencement Date. ~~At the same time the Authority shall publish the Regulatory Fees payable for the Quarter beginning July 1, 2003. For the Licensee, this fee shall not exceed six hundred thousand Cayman Islands dollars (CI\$600,000.00) for any Regulated Financial Year.~~

“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 an Other Licensee pursuant to a Condition of this Licence or to an order, decision, determination, rule or regulation of the Office.

“Turnover” ~~means~~ ~~shall mean~~ 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 ~~balance sheet, profit and loss statement and a cash flow statement~~, 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 Authority a licence fee report showing the amount of Quarterly Turnover broken down in a manner prescribed by the Office Authority, Quarterly Revenue and all calculations applied, and Unaudited Financial Statements. ~~The The said licence fee report shall be may require 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 ~~subclausesubsection~~ (a) above, the Licensee shall deliver a cheque payable to the Office Authority 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 ~~subclausesubsections~~ (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 Authority 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 Authority, 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 Authority. In the event the Audited Financial Statements show that the Licensee has overpaid, a credit shall be applied to the subsequent ~~year's Licenceyears License~~ Fee.

2. ~~Dispute Resolution~~ **DISPUTE RESOLUTION**

2.1 Within 90 calendar~~28~~ days of the receipt by the Office Authority of the Licensee's Unaudited Financial Statements in accordance with clause 1.2(a) of this Annex or the receipt of the Licensee's Audited Financial

Statements in accordance with clause 1.2(d) hereof (as the case may be), the Office Authority may serve the Licensee with a Dispute Notice stating the grounds upon which the Office Authority 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 Authority 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 Authority 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 Authority 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 Authority and the Licensee are unable to agree on the identity of such an independent Arbitrator, accountant the Licensee and the Office Authority shall refer the choice of such an Arbitrator, accountant 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, accountant in respect of the Dispute Notice shall be final and binding and the costs of the ~~referral of the said Dispute Notice including the~~ fees charged by the independent Arbitrator, accountant for adjudicating on the Dispute Notice shall be paid to the Arbitrator awarded by the ~~independent accountant to the~~ party against whom in whose favour the said Dispute ~~was~~ shall be resolved.

3. AUTHORISED FREQUENCIES FEE

By the first day of each Regulated Financial Year

~~3. —~~ Authorised Frequencies Fee

- 3.1 ~~Notwithstanding Clause 2.2,~~ the Licensee shall pay to the Office a fee as determined by the Office from time to time for each an annual Authorised

~~Frequency Fee not exceeding Ninety Cayman Islands Dollars (CI\$90) per radio transmitter per channel used or to be used by year for the first five years following the Licensee within that Regulated Financial Year. Licence Commencement Date.~~

3.2 The Authorized Frequencies ~~Fee is Fees are~~ to be set on the following principles:

- (a) The total amount collected each Regulated Financial Year for Authorized Frequency Fees from all Licensees (including the Licensee) shall not exceed the ~~Office's Authority's~~ annual estimated cost of electromagnetic spectrum management and other related activities.
- (b) The Authorized 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 ~~type of~~ 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 Authorized Frequencies Fee payment provided for above at the start of the Regulated Financial Year, the Authorized 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

DRAFT RADIO LICENCE TEMPLATE

Annex 3

UNIVERSAL SERVICE

This Annex is reserved for terms and conditions pertaining to any Universal Service oObligation or contribution to the cost of Universal Service Fund which the OfficeAuthority may, following a consultative proceeding, require in accordance with **Condition 168** of the Licence and sections 59 to 64 of the ICT Law.

ANNEX 3B

SIGNIFICANT MARKET POWER

This Annex is reserved for terms and conditions pertaining to any Significant Market Power obligation which the Office may, following a consultative proceeding, require in accordance with **Condition 17** of the Licence and sections 44 to 45 of the URC Law.

ANNEX

DRAFT RADIO LICENCE TEMPLATE

Annex 4

Authoriszed Frequencies and Transmitters

Frequency	Description	Transmitter & Antenna Information	

Type S Licence

Type S Licenses are issued annually on the basis of the number of transmitters and frequencies.

ANNEX 5

AUDIENCE LISTENER FEEDBACK PROCEDURES

1. The Audience Feedback System

1.1 The Licensee shall ~~set-up and have in place a system~~ adopt the following guidelines for accepting, handling and responding to Complaints made by a member of its Audience about its broadcast content ('Audience Feedback'). ~~listener complaints and comments ("listener feedback").~~

2. Easily accessible and well publicised

The Licensee's ~~Audience Feedback~~ listener feedback system shall:

- ~~1) be easily accessible and well publicized;~~
- ~~2) be simple to understand and use;~~
- ~~3) allow speedy handling, with established time limits for action where appropriate;~~
- ~~4) respect a client's desire for confidentiality;~~
- ~~5) provide an effective response to complainants; and~~
- ~~6) provide information to management so that services can be improved.~~

2.1 ~~1. The Licensee's listener feedback system shall include easily accessible and well-publicized mechanisms for receiving and resolving Audience Feedback~~ listener 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 ~~publicize~~ information, including on the homepage of its website, about how and to whom its Audience ~~listeners~~ may provide their feedback, including a contact, a phone number and an address for the Licensee.

- ~~On receipt~~The Licensee's listener feedback system shall enable listeners to provide feedback in a variety of a complaintways—in person, in writing, by an Audience member, ~~the~~fax and by telephone.
- 2.4 The Licensee shall provide information to that person that he or she a listener may seek assistance from the Office under the ICT Dispute Resolution Regulations (or its equivalent)Authority if that person'sthe listener's complaint ~~or comment~~ is not satisfactorily addressed by the Licensee within four (4) weeks.

3. Simple to understand and use

3.1

- 2: The Licensee shall handle Audience Feedbacklistener feedback according to ~~clearly established~~procedures that are simple for personslisteners 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 ~~3.~~The Licensee's Audience Feedbacklistener feedback system shall include ~~provisions allowing its employees to handle listener feedback quickly and include~~established time limits for handling and responding to such complaints within four (4) weeks of their receiptaction, where appropriate.

- 4.2 The Licensee shall ensure its staff are trained to handle Audience Feedback in such a timely manner~~listener feedback quickly~~.

- ~~5.~~ **Respect**The Licensee's listener feedback system shall include established time limits for action with regards to dealing with listener complaints and comments, where appropriate.

- ~~4.~~ The Licensee's listener feedback system shall respect **an Audience member's request for confidentiality**

- 5.1 The Licensee's Audience Feedback system shall respect a person's request for individual listener's confidentiality, where appropriate.

5.2

- The Licensee shall ensure its employees are trained to deal with individual Audience Feedback~~listener 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 ~~5.~~—The Licensee’s Audience Feedback~~listener feedback~~ system shall include provisions to allow its employees to provide an effective response to complaints.

- ~~• The Licensee’s feedback procedures shall provide a response to all complaints.~~

~~•~~6.2 The Licensee shall provide a substantive response to all complaints madean explanation to the listeners who are still dissatisfied that no further redress is available from the Licensee and, if appropriate, how the listener may pursue the issue with the ICT Authority.

~~•~~6.3 The Licensee’s Audience Feedback~~listener 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 ICT Dispute Resolution Regulations (or its equivalent).

7. Provide

~~6.~~—The Licensee’s ~~listener feedback system need to provide information to management so~~ that services can be improved

a. 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 of its programs can be monitored and improved.

- b. The Licensee shall develop and maintain a system for recording Audience Feedback, listener 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 and complaints.
- c. The Licensee shall periodically review trends in the types and nature of Audience listener comments (including Complaints) and complaints received.
- d. The Licensee shall monitor the effectiveness of staff training in handling Audience Feedback listener feedback.
- e. 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.
- f. 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 ICT Dispute Resolution Regulations).
- g. The Licensee shall provide to the Office, on request, a copy of some or all of the recordings referenced in clause 7.5 above; such recordings to be provided to the Office free of charge.

8. Identification of Licensee Personnel

- a. 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.
- b. 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

where a response or resolution is explicitly or implicitly expected.

a)b) _____

DRAFT RADIO LICENCE TEMPLATE