

**LICENCE GRANTED TO “[NAME OF LICENSEE]” TO OPERATE AN EXTERNAL GATEWAY FOR
INTERNATIONAL TELECOMMUNICATIONS UNDER THE SRI LANKA TELECOMMUNICATION ACT
NUMBER 25 OF 1991**

THE LICENCE

The Minister, in exercise of the powers conferred on him by the Sri Lanka Telecommunication Act No. 25 of 1991 (**Act**), grants to “[LICENSEE]” (**EGO Operator**) a licence:

- (a) which shall, subject to clause 14.1 of the terms and conditions of this licence, come into force on [COMMENCEMENT] and remain valid for a period of ten years from that date;
- (b) to provide, on a non-exclusive basis, International Services, as specified in clause 1, by means of:
 - (i) the Licensed System, as specified in clause 2; and
 - (ii) connection to the other telecommunications systems with which the EGO Operator is authorised to connect, as specified in clause 3,

in accordance with the terms and conditions of this licence.

Minister of Mass Communication

Date: [DATE]

**PART 1: INTERNATIONAL SERVICES, THE LICENSED SYSTEM AND
AUTHORITY TO CONNECT**

CLAUSE 1: INTERNATIONAL SERVICES

- 1.1 The EGO Operator may provide in Sri Lanka, by means of the Licensed System and any Connectable System, International Services utilising any technology, including to originate Voice Calls on any Local PSTN by means of Equal Access.
- 1.2 Notwithstanding clause 1.1, this licence does not authorise the provision of the following services:
- (a) communications to or between aircraft;
 - (b) communications between satellite mobile handsets in Sri Lanka and satellites; and
 - (c) communications between:
 - (i) satellites and any very small aperture satellite Earth station (VSAT); or
 - (ii) satellites and any other earth station,

to which customers are directly connected, other than by means of a telecommunications network operated by a Local Operator.

CLAUSE 2: THE LICENSED SYSTEM

- 2.1 For the purposes of the EGO Operator providing International Services, the EGO Operator is authorised to install, own, operate and maintain, on a non-exclusive basis:
- (a) international capacity, using any kind of network and any form of transmission technology, between places outside Sri Lanka and the relevant cable landing station or radio communications facility in Sri Lanka;
 - (b) cable landing stations;
 - (c) subject to clause 1.2(c), satellite Earth stations;

- (d) External Gateway Facilities; and
- (e) facilities which are ancillary to the facilities listed in paragraphs (a) to (d) or to the provision of the International Services, such as a customer support centre, billing systems, and an intelligent network platform. The Commission may issue guidelines on the facilities which the Commission considers are ancillary facilities,

(collectively, the **Licensed System**).

2.2 The EGO Operator, for the purposes of establishing the facilities authorised by this licence, may use or share any of the facilities of any operator authorised to provide those facilities, provided that the EGO Operator maintains a commercially separate identity from the other operator. The EGO Operator may participate in any joint venture or consortium to build, own and operate international cable or satellite capacity. This clause 2.2 is subject to the requirements of clauses 7 and 8.

2.3 Subject to clause 2.4, the following facilities must not be installed or owned by the EGO Operator but, if required for the provision of International Services, the EGO Operator may acquire services provided by means of those kinds of facilities from another licensed operator:

- (a) links between the EGO Operator's External Gateway Facility and the relevant cable landing station or satellite Earth station in Sri Lanka at which the EGO Operator accesses international capacity, other than where such interconnecting links are entirely within the same premises;
- (b) links between the EGO Operator's External Gateway Facility and the point or points of interconnection with the relevant network of a Local Operator or another External Gateway Operator's network, other than where such interconnecting links are entirely within the same premises; and
- (c) links between the EGO Operator's External Gateway Facility and the premises of the EGO Operator's customers.

2.4 The Commission may determine that, by reason of the state of competition in the market for wholesale provision to External Gateway Operators of any of the facilities listed in clause 2.3, all External Gateway Operator Licence holders are authorised to install, own, operate and maintain the relevant facilities in accordance with the terms of that authorisation.

CLAUSE 3: CONNECTION OF OTHER SYSTEMS AND APPARATUS

- 3.1 The EGO Operator must not connect the Licensed System to Telecommunications systems other than the following:
- (a) any Telecommunication system outside Sri Lanka;
 - (b) subject to clause 3.2, any connectable system in Sri Lanka the licence for which authorises it to be connected to the Licensed System.
- 3.2 If a direct connection is established between a customer's site and the EGO Operator's External Gateway Facility, then:
- (a) that direct connection must only be used to provide International Private Network Services to that customer; and
 - (b) traffic originating from that customer must not be terminated on any network within Sri Lanka.
- 3.3 An end-user may connect to a network termination point established by the EGO Operator within customer premises any Telecommunications Apparatus which can legally be connected to any public telecommunications network in Sri Lanka. No Telecommunications Apparatus shall be permitted to be kept directly connected to the Licensed System if in the reasonable opinion of the EGO Operator that apparatus:
- (a) no longer conforms to the required technical standards and the Commission has not expressed a contrary opinion;
 - (b) is liable materially to impair the quality of any Telecommunication Service provided by means of any licensed system or is liable to cause damage to the property of the EGO Operator and the Commission has not expressed a contrary opinion; or
 - (c) is liable to cause the death of or personal injury to any person engaged in the running of the Licensed System.

PART 2: LICENCE CONDITIONS

CLAUSE 4: OPERATION OF LICENSED SYSTEM

- 4.1 The EGO Operator must:
- (a) maintain the Licensed System in proper working order;
 - (b) establish and operate at least one External Gateway Facility;
 - (c) in the case of Voice Call services provided by the EGO Operator to the public over a Local PSTN (other than as part of an International Private Network Service), make available a customer inquiry and assistance telephone service and publish the Sri Lanka number or numbers at which customers can contact that service;
 - (d) publish and comply with a code of practice setting out how the EGO Operator will handle and respond to complaints and inquiries received from customers;
 - (e) participate in good faith in any Telecommunications industry body or forum that may be established or convened for the purpose of developing a Bypass Control Code;
 - (f) comply with any Bypass Control Code, to the extent that it applies to any activities of the EGO Operator and, if the EGO Operator is also a Local Operator, to Local Operators; and
 - (g) ensure that any Affiliate of the EGO Operator complies with the Bypass Control Code.
- 4.2 The EGO Operator must ensure that the quality of all International Services offered by the EGO Operator meets or exceeds the relevant quality of service standards rules published by the Commission from time to time.
- 4.3 The EGO Operator must, on the dates or at the intervals notified by the Commission to the EGO Operator, report to the Commission quality of service data relating to those International Services provided by the EGO Operator which have been specified by the Commission, in accordance with quality of service reporting standards notified by the Commission to the EGO Operator from time to time. The Commission may from time to time publish quality of service data relating to the EGO Operator's services, on a comparative basis with similar data relating to all or some of the External Gateway Operators providing International Services.

4.4 If the EGO Operator offers Voice Calls to the public in Sri Lanka (other than as part of an International Private Network Service) utilising voice over internet protocol (VoIP) technology over the public Internet or using public peering points, the EGO Operator must include in all sales literature, marketing, promotional and advertising materials a clear statement that “this service is provided using Voice over Internet Protocol or ‘VoIP’ technology and the EGO Operator cannot guarantee the quality of the service the user will experience” or words to similar effect.

4.5 If the EGO Operator proposes to make any changes in the technical parameters of the Licensed System which the EGO Operator should reasonably anticipate could materially adversely affect:

- (a) a Connectable System which is directly connected to the Licensed System; or
- (b) Telecommunication Apparatus which is directly connected to the Licensed System,

the EGO Operator must give notice in writing:

- (c) if the EGO Operator is a Dominant Operator, not less than ninety (90) days in advance; and
- (d) if the EGO Operator is not a Dominant Operator, not less than thirty (30) days in advance,

to the affected parties and to the Commission and must provide the Commission with such additional information as it may reasonably require.

Clause 5: INTERCONNECTION

5.1 If the EGO Operator is declared to be a Dominant Operator, the Dominant Operator must:

- (a) within sixty (60) days of that declaration, submit to the Commission a reference interconnection offer (**RIO**) setting out the terms and conditions on which the Dominant Operator will connect a Connectable System to the Licensed System for the purposes of originating and terminating Dominant Services offered by the Dominant Operator on that Connectable System; and
- (b) provide such interconnection and access services as may be specified by the Commission and reasonably required by other licensed providers of International Services.

- 5.2 Variations to an approved RIO must be submitted for approval by the Commission. The Commission must, within thirty (30) days of receipt of an RIO or proposed variation to an RIO, consider that RIO or proposed variation and notify the EGO Operator in writing:
- (a) that the RIO or proposed variation is approved by the Commission; or
 - (b) that the RIO or proposed variation is not approved by the Commission, in which case the EGO Operator must submit a modified RIO or proposed variation to the Commission for approval within a specified period of time, which shall be not more than thirty (30) days.
- 5.3 Subject to clause 5.4 if the EGO Operator is a Dominant Operator and the licensee of a Connectable System (**Licensee**) requests to enter into an agreement with the EGO Operator to directly connect the Connectable System, and keep it connected, to the Licensed System:
- (a) the EGO Operator must enter into an agreement for that purpose with the Licensee; and
 - (b) the terms and conditions of that agreement shall be agreed between the EGO Operator and the Licensee or, failing agreement, determined by the Commission, on the application of either party. The Commission shall, in determining the terms of supply, have due regard to the terms of any RIO. If a RIO is still being prepared by the Dominant Operator or reviewed by the Commission, the Commission may make an interim or short-term determination on such terms as the Commission considers appropriate, pending approval of the relevant RIO.
- 5.4 The EGO Operator (whether or not the EGO Operator is a Dominant Operator) shall not be obliged to enter into an agreement pursuant to clause 5.3 for direct connection with another operator if the EGO Operator can show to the satisfaction of the Commission that:
- (a) a practical alternative to direct connection with the other operator exists by way of indirect connection across a third network; and
 - (b) transit access across a third network is cost effective, having regard to the direct and indirect costs and benefits of direct connection and the direct and indirect costs and benefits of indirect connection.
- 5.5 Where the EGO Operator enters into an agreement with any licensee of a Connectable System (**Licensee**) for connection of the Licensed System with that Connectable System, the EGO Operator may be required to provide security for the payment of any amounts likely to be owed by the EGO Operator to the Licensee. If the parties cannot agree on

security, the Commission may determine the matter on the application of either of them. The Commission may issue guidelines on the circumstances in which and the terms on which security may be requested.

- 5.6 The EGO Operator must provide, on request and to the extent technically feasible, space, utility services and physical access (**Facilities Access**) to any cable station owned or under the control of the licensee that is required by:
- (a) another External Gateway Operator authorised to provide international services, to install and operate equipment and links required for that operator to connect its External Gateway Facility to cable capacity acquired by that operator; or
 - (b) a Local Operator, to install and operate equipment for the purposes of that Local Operator providing External Gateway Operators with links from the cable station to their External Gateway Facilities.
- 5.7 The EGO Operator may charge for Facilities Access provided pursuant to clause 5.6, to recover its costs, calculated on an efficient cost orientated basis.
- 5.8 If, after the commencement date of this licence, the EGO Operator proposes to establish a cable landing station or proposes that a new cable be landed at a existing cable station owned or controlled by it, the EGO Operator must:
- (a) submit for approval by the Commission design plans which show that the cable station will accommodate Facilities Access for a reasonable number of operators; and
 - (b) construct or modify the cable station in accordance with the plans approved by the Commission.

CLAUSE 6: TARIFFS, CHARGES, CALL METERING AND BILLING

- 6.1 The EGO Operator must publish a tariff (or variations to an existing tariff) of the EGO Operator's charges for International Services offered by the EGO Operator to end-users within Sri Lanka:
- (a) in a form approved by the Commission; and
 - (b) setting out, in relation to each kind of International Service:
 - (i) a description of the International Service; and

- (ii) details of the nature and amounts of the charges payable for the International Service,

not later than the date of commencement of provision of such International Service.

6.2 The EGO Operator is not obliged to file a tariff in relation to International Private Network Services if those services are not marketed in Sri Lanka to end-users.

6.3 Publication of a tariff by the EGO Operator (if the EGO Operator is not a Dominant Operator) shall be effected by:

- (a) providing the Commission with the tariff in writing; and
- (b) making the tariff publicly available in accordance with guidelines on publication issued by the Commission following consultation with interested parties.

6.4 If the EGO Operator is a Dominant Operator, the EGO Operator must file its proposed tariffs (and variations) with the Commission not less than 30 days prior to the proposed commencement date of the tariff. A Dominant Operator must not demand or receive payment for the supply of a Dominant Service to any person, except where:

- (a) that particular kind of Dominant Service is included in a tariff of the Dominant Operator; and
- (b) the relevant tariff either:
 - (i) has been approved by the Commission by notice in writing to the Dominant Operator; or
 - (ii) is deemed to have been approved by the Commission pursuant to clause 6.5.

6.5 A tariff submitted by a Dominant Operator to the Commission for approval shall be deemed to have been approved by the Commission if:

- (a) the tariff is not in respect of a bundle of services;
- (b) at the time that the Dominant Operator provided the tariff to the Commission in writing the Dominant Operator also provided the Commission with evidence in writing to show that the charges set out in the tariff would not be lower than one or more other operators' charges for services that are the same or substantially the same; and

- (c) the Commission has not within 21 days of receipt of the tariff notified the Dominant Operator that the Commission has reason to believe:
 - (i) that the proposed charges are or would be lower than any other operator's charges for services that are the same or substantially the same; or
 - (ii) that the proposed tariff has the purpose or has or is likely to have the effect of substantially lessening competition in a market for goods or services in Sri Lanka.

- 6.6 The EGO Operator shall be responsible for billing and collection of its charges, including those payable by end-users who are directly connected customers of other operators (unless a commercial billing and collection arrangement is agreed with the relevant operator). The EGO Operator shall issue bills to each of its customers, unless otherwise agreed with the customer, setting out itemised charges for each International Service provided to the customer, including on a per-call basis.

- 6.7 The EGO Operator shall take all reasonable steps to ensure the accuracy and reliability of any charging device used in connection with the Licensed System, and shall keep such records as may be determined by the Commission to be necessary in relation to any metering device which appears to the Commission to be a source of difficulty.

CLAUSE 7: COMPETITIVE SAFEGUARDS

- 7.1 The EGO Operator must not engage in any Anti-competitive Practice.

- 7.2 The EGO Operator must not enter into any agreement, arrangement or understanding with any person concerned in the ownership, operation or maintenance of an overseas Telecommunications system, which has the purpose or has or is likely to have the effect of precluding or restricting the provision by another licensed operator of International Services.

- 7.3 The EGO Operator may be declared by the Commission to be a Dominant Operator if, in the opinion of the Commission, the EGO Operator is able to act in a market in which an International Service is provided without significant competitive restraint from its competitors and customers. The Commission may from time to time, following due consultation with interested parties, issue rules for the purpose of providing practical guidance in respect of declaration of Dominant Operator status.

- 7.4 A Dominant Operator must not, except with the prior written consent of the Commission:

- (a) enter into any Linked Sale;
- (b) offer a bundle comprising one or more Dominant Services together with one or more other services which are not Dominant Services, unless approved by the Commission or permitted in accordance with a class exemption issued by the Commission;
- (c) enter into any Exclusive Dealing Arrangement;
- (d) discriminate between particular persons or persons of any class or description who acquire a service from the Dominant Operator or who provide a service to the Dominant Operator, whether in respect of the charges or other terms or conditions of supply or otherwise; or
- (e) allow any cross-subsidy to occur:
 - (i) between the Dominant Operator and any Affiliate;
 - (ii) between the International Service Business of the Dominant Operator and any other business of the Dominant Operator; or
 - (iii) between such parts of the Dominant Operator's business as the Commission may determine in consultation with the Dominant Operator.

7.5 If the EGO Operator or an Affiliate operates a Local PSTN, then the EGO Operator must not:

- (a) offer a bundle comprising one or more International Services together with one or more domestic services, unless approved by the Commission or permitted in accordance with a class exemption issued by the Commission;
- (b) offer, by way of a Linked Sale, any International Service and any domestic service offered over the Local PSTN by an Affiliate, unless approved by the Commission or permitted in accordance with a class exemption issued by the Commission; or
- (c) allow any cross-subsidy to occur between the EGO Operator's International Services Business and either:
 - (i) the EGO Operator's Local PSTN business; or
 - (ii) an Affiliate's Local PSTN business; or

- (d) offer, or allow an Affiliate to offer, any International Service (including an inbound calling service to Sri Lanka) at a price which is less than the costs of providing that International Service. For this purpose, the costs of providing the International Service shall be the total of the charge other EGO Operators would pay for origination or termination (as the case may be) of similar International Services on the Local PSTN, the Network Contribution Levy (if applicable), the relevant charges of the international network or networks used in the provision of the International Service and a reasonable contribution to the common or fixed costs of the EGO Operator. The EGO Operator must report to the Commission its charges for any International Service which the EGO Operator or an Affiliate offers to end-users outside Sri Lanka allowing them to call Sri Lanka.

7.6 The EGO Operator must:

- (a) establish and maintain a set of accounts in relation to its International Services Business that is separate from any other business carried on by the EGO Operator or any Affiliate of the EGO Operator;
- (b) allocate any costs that are shared between any International Services Business activity and any other business activity of the EGO Operator or any Affiliate of the EGO Operator according to a methodology for allocating costs that:
 - (i) is fair and reasonable;
 - (ii) is fully described in explanatory notes accompanying those accounts; and
 - (iii) has not been disapproved by the Commission; and
- (c) comply with such other obligations in respect of the conduct of its International Services Business as the Commission may from time to time notify to the EGO Operator.

7.7 A Dominant Operator must comply with such additional accounting requirements as the Commission may from time to time determine apply to Dominant Operators. If the EGO Operator is not a Dominant Operator the Commission may determine that the EGO Operator shall not be obliged to comply with specified accounting requirements.

7.8 If the EGO Operator or an Affiliate owns or operates a Local PSTN, then the EGO Operator:

- (a) must not give any undue preference to or demand or receive any unfair advantage from the Affiliate and must not give any undue preference to or demand or receive any unfair

advantage from its own International Services Business, whether in respect of the charges or other terms or conditions of supply or otherwise, including without limitation in respect of Equal Access arrangements;

- (b) subject to clause 9.4, must not commence to provide outbound international Voice Calls utilising the Local PSTN until Equal Access has been implemented and made available to other External Gateway Operators to offer competing International Services on the Local PSTN; and
- (c) must establish as soon as reasonably practicable and in any event not later than six (6) months after the issuance to the EGO Operator of this licence, accounting and reporting arrangements sufficient to enable the EGO Operator's finances in relation to the External Gateway business and the Local PSTN business to be assessed and reported on separately from each other and separately from any other business activities of the EGO Operator.

7.9 Nothing done by the EGO Operator shall be regarded as giving an undue preference, demanding or receiving an unfair advantage or as discrimination if and to the extent that the EGO Operator:

- (a) is obliged to engage in that conduct by or under any provision of the Telecommunications Act, the terms of this licence or any direction of the Commission; or
- (b) offers a discount on the charges for its International Services to a particular class of customers that has been:
 - (i) notified in writing by the EGO Operator to the Commission as a class of customers to whom the EGO Operator proposes to offer a specified discount or discounts of a specified kind; and
 - (ii) approved by the Commission by notice in writing to the EGO Operator as a class of customers to whom the EGO Operator is authorised to offer the relevant discount,

without discrimination between them.

7.10 If the EGO Operator offers a discount to any class of customers pursuant to clause 7.9, the EGO Operator must provide the Commission, on a quarterly basis, with such information regarding those discounts as the Commission may require.

CLAUSE 8: PRE-NOTIFICATION OF JOINT VENTURES

- 8.1 If the EGO Operator or an Affiliate enters into an agreement, arrangement or understanding:
- (a) with any person or persons for the establishment or Control or acquisition of Control of any company for the purpose of operating a Telecommunication system which requires a licence under the Telecommunications Act;
 - (b) for the establishment of a partnership for any of the purposes or in any of the circumstances referred to in paragraph (a);
 - (c) in the nature of a joint venture for any of the purposes or in any of the circumstances referred to in paragraph (a); or
 - (d) for the acquisition of, or of an interest of fifteen percent (15%) or more in, a person's International Services Business for any of the purposes or in any of the circumstances referred to in paragraph (a),

the EGO Operator shall, unless the Commission otherwise agrees, notify the Commission in writing not less than sixty (60) days before any such agreement, arrangement or understanding is to take effect, giving particulars of that agreement, arrangement or understanding.

- 8.2 If the agreement, arrangement or understanding required to be notified to the Commission pursuant to clause 8.1 has the purpose or is has or is likely to have the effect of substantially lessening competition in a market for telecommunications services in Sri Lanka, the Commission may, by notice in writing to the EGO Operator, direct the EGO Operator to take such action specified in the notice as the Commission considers necessary to prevent the agreement, arrangement or understanding from having the effect of substantially lessening competition.
- 8.3 Before a notice is issued under clause 8.2, the EGO Operator and other interested parties shall be allowed a reasonable opportunity to make representations to the Commission in relation to the agreement, arrangement or understanding.
- 8.4 If a law comes into force in Sri Lanka which applies in any of the circumstances in which this clause 8 applies, the Minister may, in consultation with the Commission, suspend the operation of all or any part of this clause 8, by notice published in the Sri Lanka *Gazette*.

CLAUSE 9: NUMBERING ARRANGEMENTS

- 9.1 The EGO Operator must comply with the Numbering Plan determined from time to time by the Commission, to the extent that the Numbering Plan applies to any activities of the EGO Operator.
- 9.2 The Commission shall allocate to the EGO Operator one or more Access Codes.
- 9.3 The Commission may from time to time allocate Access Codes in accordance with a price-based allocation process determined by the Commission.
- 9.4 If the EGO Operator or an Affiliate of the EGO Operator has a Local PSTN, and Equal Access has not yet been implemented on that Local PSTN, the EGO Operator may commence to provide outbound international Voice Calls to end-users directly connected to that Local PSTN using the “00” international code pending the implementation of Equal Access on that Local PSTN, provided that:
- (a) the EGO Operator or its Affiliate, as the case may be, has provided the Commission with a plan satisfactory to the Commission for the implementation of Equal Access by a date specified by the Commission;
 - (b) while Equal Access is being implemented and for a period of three (3) months after its implementation, the EGO Operator supplies the international Voice Calls on a call-by-call basis to end-users and does not bundle the international Voice Calls with any other services, or require end-users to commit to a term contract for the international Voice Calls or provide any discount for the international Voice Calls which is dependent upon or calculated by reference to the end-user’s use of other services;
 - (c) the EGO Operator must permit another EGO Operator which does not have or which does not have an Affiliate which has a Local PSTN to access to its International Services over the Local PSTN by means of freephone or Local PSTN numbers at charges:
 - (i) agreed between the operators;
 - (ii) determined by the Commission, in the event that the operators are unable to agree on charges; or
 - (iii) determined in accordance with any applicable rules regarding interconnection which may be made by the Commission and approved by the Minister and in force at the relevant time; and

- (d) the EGO Operator or its Affiliate, as the case may be, has a customer information program approved by the Commission to inform end-users of their right to select other External Gateway Operators' services once Equal Access is introduced.
- 9.5 If neither a Local Operator nor any affiliate of a Local Operator holds an External Gateway Operator licence, and Equal Access has not yet been implemented on the Local Operator's Local PSTN, the EGO Operator shall, on request by that Local Operator, commence to provide outbound international Voice Calls to end-users directly connected to that Local PSTN using the "00" international code pending the implementation of Equal Access on that Local PSTN, provided that:
- (a) the Local Operator or its affiliate, as the case may be, has provided the Commission with a plan satisfactory to the Commission for the implementation of Equal Access by a date specified by the Commission;
 - (b) while Equal Access is being implemented and for a period of three (3) months after its implementation, the EGO Operator supplies the international Voice Calls on a call-by-call basis to end-users and does not provide the international Voice Calls by way of Linked Sale with any other services of the Local Operator, or require end-users to commit to a term contract for the international Voice Calls or provide any discount for the international Voice Calls which is dependent upon or calculated by reference to the end-user's use of other services;
 - (c) the Local Operator must permit other External Gateway Operators which do not have or which do not have an Affiliate which has a Local PSTN to access to its International Services over the Local PSTN by means of free phone or Local PSTN numbers at charges:
 - (i) agreed between the operators;
 - (ii) determined by the Commission, in the event that the operators are unable to agree on charges; or
 - (iii) determined in accordance with any applicable rules regarding interconnection which may be made by the Commission and approved by the Minister and in force at the relevant time; and
 - (d) the EGO Operator or its Affiliate and the Local Operator or its affiliate has a customer information program approved by the Commission to inform end-users of their right to select other External Gateway Operators' services once Equal Access is introduced.

9.6 The EGO Operator shall not be entitled to have allocated to it any Local PSTN numbers for any direct customer connections to the Licensed System.

9.7 Any telephone numbers or Access Codes allocated to the EGO Operator remain the property of the Commission and the EGO Operator shall have no right, title or interest in them.

CLAUSE 10: CUSTOMER INFORMATION

10.1 The EGO Operator must, within three (3) months of the date on which this licence enters into force, submit a draft of a code of practice to the Commission for approval which:

(a) specifies the persons to whom the EGO Operator must not disclose information about a customer of the EGO Operator which has been acquired in the course of business, except with the prior consent of that customer;

(b) specifies the kinds of information about any such customer which may be disclosed without that customer's consent; and

(c) restricts the disclosure of information relating to the testing of apparatus.

10.2 The EGO Operator shall take all reasonable steps to ensure that its employees observe the provisions of such code of practice from the time it is approved by the Commission.

CLAUSE 11: BYPASS

11.1 The EGO Operator must not engage in any conduct which:

(a) has the purpose or effect of concealing or misrepresenting the origin or nature of any traffic;

(b) is inconsistent with any direction or guideline on traffic handover or bypass control measures that may from time to time be notified by the Commission to the EGO Operator;

(c) is inconsistent with any Bypass Control Code; or

(d) has the purpose or has or is likely to have the effect of avoiding or minimising the EGO Operator's liability to pay Network Contribution Levy, any USC contribution payable under clause 14.5 or any charge payable to another licensed operator.

11.2 Without limiting clause 11.1, the EGO Operator must not in the case of a Voice Call transmitted utilising internet protocol format, hand the call over to another network for termination on a Local PSTN without having first translated it from internet protocol format to switched minute format.

11.3 For the purposes of facilitating the Commission's monitoring of International Services to ensure that bypass is not occurring, the EGO Operator shall provide such information about:

(a) traffic handled by the EGO Operator; and

(b) the EGO Operator's interconnection arrangements with other parties,

as may be specified in the Bypass Control Code or any bypass information recording rules notified by the Commission to the EGO Operator from time to time or requested by the Commission.

11.4 If:

(a) the Commission has reason to suspect that the EGO Operator or an Affiliate has been knowingly concerned in any conduct that is inconsistent with clauses 11.1 or 11.2; or

(b) the EGO Operator has failed to comply with the information reporting requirements in clause 11.3,

the Commission may, subject to clause 11.5:

(c) direct the EGO Operator to pay any amounts it subsequently receives as interconnection payments into an escrow account notified by the Commission;

(d) direct other operators to suspend payment to the EGO Operator or its Affiliate of any interconnection charges payable to the EGO Operator and pay any such charges instead to an escrow account notified by the Commission;

(e) direct the EGO Operator and any other relevant operators:

- (i) to suspend the availability of Equal Access for the EGO Operator's services and/or those of its Affiliate; or
 - (ii) to suspend interconnection with the EGO Operator and/or its Affiliate; or
- (f) direct the administrators of the fund to which the Network Contribution Levy is paid to suspend payments to the External Gateway Operator or its Affiliate in respect of any local network which it operates,

pending, in the case of paragraph (a), the outcome of the Commission's investigation into whether there has been a breach of clause 11.1 or clause 11.2, and in the case of paragraph (b) until the Commission is satisfied that the EGO Operator is in compliance with clause 11.3.

11.5 Any direction pursuant to clause 11.4 shall:

- (a) not be made until such time as:
 - (i) the EGO Operator has received notice that the Commission is considering exercising its powers pursuant to clause 11.4;
 - (ii) the EGO Operator has had a reasonable opportunity to make representations to the Commission in respect of any such proposed exercise by the Commission of those powers; and
 - (iii) the Commission has considered any representations made by or on behalf of the EGO Operator;
- (b) take effect:
 - (i) immediately on notice in writing, in the case of a direction pursuant to paragraph 11.4(c); and
 - (ii) following five (5) days' notice in writing, in the case of a direction pursuant to paragraphs 11.4(d) to (f); and
- (c) be binding on the EGO Operator and any other relevant parties until such time as the Commission is reasonably satisfied that the EGO Operator and/or the Affiliate is in compliance with clause 11.1, 11.2 or 11.3, as the case may be.

11.6 If after investigation the Commission has determined that the EGO Operator is in breach of clause 11.1, 11.2 or 11.3, the Commission may:

- (a) suspend the licence on such terms as the Commission considers appropriate;
- (b) revoke the licence;
- (c) order the EGO Operator to pay compensation to any licensed operator equal to the net revenue which, but for the conduct of the EGO Operator and/or the Affiliate, the licensed operator would have earned, plus a reasonable amount of interest; or
- (d) order the EGO Operator to pay the Network Contribution Levy or USC contribution which, but for the conduct of the EGO Operator and/or the Affiliate, would have been paid, less the amount of Network Contribution Levy or USC contribution (as the case may be) actually paid, plus a reasonable amount of interest.

CLAUSE 12: REPRESENTATION OF CONSUMERS' INTERESTS

- 12.1 The EGO Operator shall give due consideration to any matter which is the subject of a representation made to the EGO Operator by a body recognised as representing the interests of consumers of telecommunication services or apparatus or an advisory body established by the Commission under section 5(t) of the Act.

CLAUSE 13: REQUIREMENT TO FURNISH INFORMATION TO THE COMMISSION

- 13.1 The EGO Operator shall furnish to the Commission, in such manner and at such times as the Commission may request, such documents, accounts, estimates, returns, data or other information and procure and furnish to the Commission such reports as it may reasonably require for the purpose of exercising its functions under the Act.
- 13.2 The EGO Operator shall provide information and shall periodically provide update data to the Commission in respect of:
- (a) international bearer systems and plant owned or leased by the EGO Operator including the network connecting apparatus of the Licensed System providing connection to such bearers; and
 - (b) such other facilities as the Commission may notify to the EGO Operator from time to time.
- 13.3 The EGO Operator must measure and record Traffic Data and must:

- (a) disclose such Traffic Data to the Commission; and
- (b) publish such Traffic Data, or such part of it as the Commission may from time to time direct, in such format, at such times and by such means as the Commission may from time to time direct.

CLAUSE 14: PAYMENT OF FEES

- 14.1 This licence shall not commence until the latter of:
- (a) the date on which this licence is expressed to commence; or
 - (b) the date on which the licence fee of USD50,000 or equivalent LKR and applicable taxes or such other amount as may be notified in writing by the Commission is paid in full.
- 14.2 The EGO Operator shall during the term of this license, on or before January 31st each year following the issuance of this licence, pay to the Commission or to such other person as the Commission may direct a cess imposed under section 22G of the Act.
- 14.3 If the EGO Operator fails to make the payments by the January 31st as specified in clause 14.2, the EGO Operator shall be required to pay such additional charge as may be determined by the Commission.
- 14.4 The EGO Operator must pay any Network Contribution Levy required under the relevant laws of Sri Lanka.
- 14.5 If External Gateway Operators are no longer required to pay the Network Contribution Levy, the Commission, if directed by the Minister, may develop a universal service contribution (**USC**) scheme to assist to meet the costs of deployment and operation of network in Loss Making areas or to Loss Making customers in Sri Lanka. The Commission will consult the EGO Operator on the USC scheme. The EGO Operator shall make USC payments in accordance with any USC scheme published by the Commission.

CLAUSE 15: REVOCATION

- 15.1 The Minister may at any time revoke this licence by thirty (30) days' notice in writing given to the EGO Operator at its registered office in any of the following circumstances:

- (a) if the EGO Operator agrees in writing with the Commission that this licence should be revoked;
- (b) if any amount payable under clause 14 is unpaid and remains unpaid for a period of fourteen (14) days after the Commission notifies the EGO Operator that the payment is overdue, which notification shall not be given earlier than the sixteenth (16th) day after the day on which the payment became due;
- (c) if the EGO Operator fails to comply with an order of the Commission under the Act and that order is not subject to appeal proceedings and such failure is not rectified within three (3) months after the Commission has given notice in writing of such failure to the EGO Operator;
- (d) if the EGO Operator fails to comply with any rule or regulation for the time being in force under the Act; or
- (e) if the EGO Operator breaches any of the terms or conditions of this licence.

CLAUSE 16: INTERPRETATION

In this licence (including the licence terms and conditions), unless the context otherwise requires:

“**Access Code**” means a number code allocated by the Commission in accordance with the Sri Lankan numbering plan by which an External Gateway Operator offers international Voice Calls over Local PSTNs.

“**Affiliate**” means a person who:

- (a) is a Subsidiary of the EGO Operator or is another body corporate in which the EGO Operator has a substantial interest;
- (b) is a Holding Company of or Controls the EGO Operator; or
- (c) is a Subsidiary of a Holding Company which owns or Controls or has a substantial interest in the EGO Operator,

where “Subsidiary” and “Holding Company” have the meanings ascribed to those expressions under the Companies Act No. 17 of 1982.

“**Anti-Competitive Practice**” means:

- (a) any practice whereby the EGO Operator, in the course of business, pursues a course of conduct which of itself or when taken together with a course of conduct pursued by any Affiliate of or any persons associated with the EGO Operator, has the purpose or has or is likely to have the effect of restricting, distorting, preventing or substantially lessening competition in connection with the production, supply or acquisition of goods or services in Sri Lanka; and
- (b) Resale Price Maintenance.

“**Bypass Control Code**” means a code of practice in respect of the handling and handover of traffic and related matters.

“**Commission**” means the Telecommunications Regulatory Commission of Sri Lanka established under the Telecommunications Act, No. 25 of 1991.

“**Connectable System**” means a Telecommunication system which is authorized to be operated under a licence which authorises connection of that System to other systems, except where the authorisation under that other licence is limited so as not to authorise connection of that system to the Licensed System.

“**Control**” means, for the purposes of clause 8 of this licence:

- (a) beneficial ownership of more than fifteen percent (15%) of the Voting Shares in the relevant body corporate;
- (b) Voting Control of more than fifteen percent (15%) of the Voting Shares in the relevant body corporate; or
- (c) the power, by virtue of any powers conferred by the memorandum or articles of association or other instrument regulating the relevant body corporate or any other body corporate, to ensure that the affairs of the relevant body corporate are conducted in accordance with the wishes of the first mentioned person or persons.

“**Dominant Operator**” means an EGO Operator which has been declared to be a Dominant Operator pursuant to clause 7.3 and in respect of which that declaration remains in force.

“**Dominant Service**” means an International Service offered in a market in relation to which the EGO Operator is a Dominant Operator.

“Equal Access” means the capability within the telephone exchanges of a Local PSTN to enable directly connected end-users to select an External Gateway Operator as their provider of international Voice Calls by means of:

- (a) dialling the Access Code of an External Gateway Operator; or
- (b) such other means of customer selection as may be required or approved by the Commission,

which shall, to the extent reasonably practicable, provide a neutral choice from the end-user’s perspective among the international Voice Call services offered by the Local PSTN operator and international Voice Call services offered by all External Gateway Operators.

“Exclusive Dealing Arrangement” means any agreement, arrangement or understanding whereby the EGO Operator makes the acquisition from any person in Sri Lanka or outside Sri Lanka by the EGO Operator or any of its wholly owned subsidiaries, or the installation or servicing by any person in Sri Lanka or outside Sri Lanka for itself or any such subsidiary of any Telecommunication Apparatus of any description conditional upon agreement:

- (a) to supply to the EGO Operator, or to supply or not to supply to any other person, apparatus of a different description;
- (b) to supply to the EGO Operator or to supply or not to supply to any other person, any Telecommunication service of a different description; or
- (c) to transfer to the EGO Operator or to any other person any interest in industrial or intellectual property with a view to restricting unreasonably the freedom of the supplier of the apparatus or the provider of the service in question to exploit the supplier’s industrial or intellectual property in order to confer on the EGO Operator or some other person an unfair competitive advantage.

“External Gateway Facility” means that part of the Licensed System which comprises a telecommunications switch or equivalent facility through which the EGO Operator routes International Services to or from its international network.

“External Gateway Operator” means a Telecommunications operator in Sri Lanka that is licensed under the Telecommunications Act to operate an External Gateway Facility.

“International Private Network Services” means services enabling Telecommunication:

- (a) between members of a closed group of customers, some members of which are situated within Sri Lanka and others of which are situated outside Sri Lanka, which group comprises individuals, businesses or companies engaged in a common business or activity and which was formed for the specific purpose of furthering such common business or activity; and
- (b) related to the common business or activity of the group.

“**International Services Business**” means the wholesale and/or retail business or businesses of the EGO Operator supplying International Services under this licence or any other Sri Lanka licence or authority.

“**International Service**” means a service for:

- (a) the carriage of Messages between a place within Sri Lanka and a place outside Sri Lanka; or
- (b) the provision of bandwidth or facilities between an External Gateway Facility, cable station or satellite earth station in Sri Lanka and a place outside Sri Lanka (including a transponder on a satellite).

“**Linked Sale**” means a transaction by which the EGO Operator agrees to:

- (a) provide any Telecommunication service by means of or in relation to the Licensed System;
- (b) provide any Telecommunication Apparatus for connection to the Licensed System; or
- (c) connect any other system or apparatus to the Licensed System,

on condition that the person to whom such Telecommunication service, Telecommunication Apparatus or connection is to be provided shall:

- (d) acquire from the EGO Operator or from any other person specified or described by the EGO Operator any Telecommunication service other than the Telecommunication service requested, save where the first-mentioned service cannot be provided without the provision of that other service; or
- (e) acquire any Telecommunication Apparatus not incorporated in the Licensed System, save where the Telecommunications service requested cannot otherwise be provided or the Telecommunication Apparatus requested cannot otherwise be used.

“Local Operator” means a person licensed to operate a domestic Telecommunication system within Sri Lanka.

“Local PSTN” means:

- (a) a public switched telecommunications network in Sri Lanka, and includes a mobile network; and
- (b) any other network in Sri Lanka utilising any technology, including internet protocol, over which telecommunications services, including Voice Calls, are provided to the public utilising numbers from the national numbering plan published by the Commission.

“Loss Making” means an area or a customer in relation to which an efficient service provider does or would incur unavoidable net incremental costs from providing basic Telecommunication services, after taking account of the direct and indirect revenue and other benefits the efficient provider would derive from providing the service.

“Message” means any communication sent or received or made by Telecommunication or to be sent by Telecommunication or to be delivered and includes any signal or combination of signals used for the broadcasting of music, conversations, speeches, lectures, stage performances, writing, facsimiles, images or pictures and the like.

“Network Contribution Levy” means any payment which the EGO Operator is required under the laws of Sri Lanka to make and which the Government utilises, or an amount equal to that amount which the Government utilises, to fund network development in Sri Lanka.

“Resale Price Maintenance” means:

- (a) entering into an agreement, arrangement or understanding requiring a person, or attempting to induce a person, not to sell the EGO Operator’s services at less than a price specified by the EGO Operator;
- (b) making it known to a person that the EGO Operator will not supply that person unless that person agrees not to sell below the price specified by the EGO Operator;
- (c) withholding supply of services because:
 - (i) the person seeking to acquire those services has not agreed not to sell below a price specified by the EGO Operator;

- (ii) the person seeking to acquire those services has sold the EGO Operator's services at a price lower than a price specified by the EGO Operator; or
 - (iii) a purchaser from the person seeking to acquire those services either: (A) has not agreed not to sell below a price specified by the EGO Operator; or (B) has sold the EGO Operator's services at a price lower than a price specified by the EGO Operator; or
- (d) using in relation to the supply of services a statement as to price which is likely to be understood by the person to whom those services are supplied as a minimum sale price.

"Telecommunication" means the making of any transmission, emission or reception of signs, signals, writing, images, sound or intelligence of any nature by optical means or by wire or radio waves or any other electromagnetic system.

"Telecommunication Apparatus" means apparatus constructed or adapted for use in transmitting or receiving Telecommunications and includes any protocol, message format or stored command in such apparatus.

"Traffic Data" means data relating to the amount of inbound and outbound call traffic passing through the External Gateway Facility operated by the EGO Operator and such other information relating to International Services traffic as the Commission may from time to time notify the EGO Operator.

"Voice Calls" means two-way real-time voice calls delivered by means of any transmission technology, including voice over internet protocol.

"Voting Control" means the control of, or the ability to control, whether directly or indirectly, the exercise of the right to vote attaching to one or more Voting Shares in a body corporate:

- (a) by the exercise of a right, where such exercise confers the ability to exercise a right to vote or to control the exercise of a right to vote;
- (b) by an entitlement to exercise such a right to vote;
- (c) under a duty or obligation;
- (d) through a nominee;

- (e) through or by means of a trust, agreement or arrangement, understanding or practice, whether or not the trust, agreement or arrangement, understanding or practice has legal or equitable force or is based on legal or equitable rights; or
- (f) as a chargor of Voting Shares in an body corporate unless the chargee of the Voting Shares or the nominee of the chargee has given notice in writing to the chargor under the charge of an intention to exercise the right to vote attaching to such Voting Shares.

“Voting Shares” means shares in a body corporate which entitle the holder of such shares to vote at meetings of shareholders of the body corporate.

Any word or expression used in this licence (including the licence terms and conditions) shall, unless the context otherwise requires, have the same meaning as it has in the Act.

For the purposes of interpreting this licence (including the licence terms and conditions), headings and titles to any clause shall be disregarded.