

**LICENCE ISSUED UNDER SECTION 17(2) OF THE SRI LANKA
TELECOMMUNICATIONS ACT NO. 25 OF 1991 AS AMENDED BY ACT NO.27
OF 1996, TO OPERATE A TELECOMMUNICATIONS SYSTEM**

I, Minister of Mass Communication in the exercise of the powers conferred on me under section 17(2) of the Sri Lanka Telecommunications Act No. 25 of 1991 as amended by the Act, No 27 of 1996 (hereinafter referred to as “the Act”) hereby grant to....., a company duly incorporated in the Democratic Socialist Republic of Sri Lanka under the Companies Act No. 17 of 1982 bearing Company No. (hereinafter referred to as “the Operator”) , a Licence to operate the telecommunication systems specified in Schedule 1 (hereinafter referred to as the “Licensed System”) and authorise the Operator to do all or any of the acts specified in Schedule 2 subject to the Conditions set out in Schedule 3 and to revocation as provided in Schedule 4.

2. This Licence shall come into force on and shall be of 5 years’ duration unless previously revoked in accordance with Schedule 4.
3. The Telecommunication Regulatory Commission shall have the right to review this Licence at the end of each year.
4. The licensee need apply three months before the termination of this Licence to this Commission for a new licence.
5. The provisions of the Act and all Rules and Regulations made there under shall apply to the Operator for all purposes.

Imthiaz Bakeer Markar
Minister of Mass Communication
Colombo

Date:-

SCHEDULE 1

THE LICENSED SYSTEM

1. The Licensed System consists of Telecommunication Systems which provide Internet Service.
2. The Licensed System shall not include;
 - (a) any Telecommunication System for which a Licence is not required under the Act.
 - (b) any Telecommunication System which is Licensed to another person.

SCHEDULE 2

AUTHORISATION TO CONNECT OTHER TELECOMMUNICATION SYSTEMS AND APPARATUS TO THE APPLICABLE SYSTEMS AND TO PROVIDE TELECOMMUNICATION SERVICES BY MEANS OF THE LICENSED SYSTEM.

1. Nothing contained in this License shall exempt the Operator from obtaining any other license for the purpose of carrying on any function for which a person is required to obtain a license under the provisions of the Act or any other enactment. Subject to that limitation and without prejudice to the Act, this license authorises the connection to the Systems of :
 - (i) any other telecommunication systems of the Licensed System;
 - (ii) any telecommunication system which is outside Sri Lanka which the Commission has notified the Operator as being a system which may , or as the case may be continue to, be connected to the Licensed System;
 - (iii) any telecommunication system in Sri Lanka the Licence for which authorises connection to the Licensed Systems;
 - (iv) telecommunication apparatus which is of a type approved by the Commission under the Act.
2. The Operator shall provide the service to customers through the Public Switched Telephone Network (PSTN) or the Leased lines provided by Licensed Operators.

SCHEDULE 3

CONDITION 1. - GENERAL

- 1.1 The Operator shall comply with the provisions in the Act and all Rules & Regulations made thereunder.
- 1.2 The Operator shall not have the right to provide any other telecommunication service other than Internet service as set out in Schedule 1 by the means of a Licensed System set out in Schedule 2.
- 1.3 The Operator shall not promote, offer or provide any voice telephony services to public switched telephone network.
- 1.4 The Operator shall not engage in any operations for the provision of voice telephony services whether domestic or international on this licensed system.

CONDITION 2. - PROVISION OF TELECOMMUNICATION SERVICES

- 2.1 The Operator shall provide telecommunication services consisting in the conveyance of Messages by means of the Licensed System.
- 2.2 The Operator shall be responsible for installation, networking and operation of all the equipment to provide the services. The Operator shall supply all necessary literature, drawings, installation materials regarding the equipment installed for commissioning of the services. The Operator shall supply all the tools, test instruments and other accessories to the testing party of the Commission for conducting the tests.
- 2.3 The Operator shall maintain the Licensed System in proper working order, in accordance with such standards conforming to international norms and standards as may be specified by the Commission from time to time, and improve and expand the Licensed System in accordance with the development plan approved by the Commission. The Operator shall not utilise used equipment in the Licensed System without the prior written authorisation of the Commission.
- 2.4 When the Development Plan is submitted to the Commission for approval, it may approve it or make such revisions to it as it considers necessary. In taking such a decision on the Development Plan, the Commission shall take into account the financial and technical resources that can reasonably be expected to be available to the Operator during the period of the Plan.
- 2.5 In the case of minor deviations, the Operator may amend the Development Plan, provided such amendments together with supporting reasons are communicated to the Commission under recorded delivery at least eight weeks prior to implementation of such amendments.

CONDITION 3. - CONNECTION OF APPARATUS NOT COMPRISED IN THE LICENSED SYSTEM

No apparatus shall be permitted to be kept connected to the Licensed System if that apparatus:

- (a) in the opinion of the Operator, no longer conforms to the required technical standards and the Commission has not expressed a contrary opinion.
- (b) in the opinion of the Operator is liable to cause the death , or personal injury to any person engaged in the running of the Licensed System, or materially to impair the quality of any Telecommunication Service provided by means of any Licensed System or damage to the property of the Operator, and the Commission has not expressed a contrary opinion.

CONDITION 4. - SAFETY

The Operator shall take proper and adequate safety measures for the safeguarding of life and property in connection with all installations, equipment and apparatus operated or used, including safeguards against exposure to any electrical or radiation hazard emanating from the installations, equipment or apparatus used under this Licence.

CONDITION 5. - INTERFACE AND PROTOCOL REQUIREMENTS

The Operator shall adopt the following recommendations for interface and protocol requirements. Protocols supporting voice telephony over the Internet shall not be employed.

- (a) interface requirements
 - (i) Subscriber Access
 - 2 wire access over PSTN for Modem interface
 - ISDN BRI and PRI interface
 - 64K, Nx64K or 2.048 Mb/s, Nx2.048 Mb/s leased lines
 - Frame Relay interface

(ii) Network Interface

- X.25 interface
- Frame Relay
- ATM
- G.703
- PRI, BRI interface

(b) Protocol Requirements

(i) Network Protocol

- IP

(ii) Routing Protocol

- As per requirements of ISP
- IP : RIP, OSPF, BGP, CIDR

(iii) WAN Protocol

- Point to Point Protocol (PPP) support for PAP & CHAP authentication over the PPP Link
- Any other as per requirements of ISP

ABBREVIATIONS

ATM – Asynchronous Transfer Mode
BGP - Border Gateway Protocol
BRI - Basic Rate Interface
CHAP- Challenge Handshake Authentication Protocol
CIDR- Classless Inter-Domain Routing
IP - Internet Protocol
ISDN - Integrated Services Digital Network
ISP - Internet Service Provider
RIP - Routing Information Protocol
OSPF - Open Shortest Path First
PAP - Password Authentication Protocol
PPP - Point-to-Point Protocol
PRI - Primary Rate Interface
PSTN - Public Switched Telephone Network
WAN– Wide area network

CONDITION 6. - INTERCONNECTION AND ACCESS

- 6.1 The Operator shall have access, and shall provide access, to the systems operated by other Licensed Operators including public Internet service providers in Sri Lanka. Subject to the provision of the Act the terms and conditions of the interconnection and access shall be commercially negotiated between the Operator and other Licensed Operators. The operator shall keep the Commission informed the nature and the quality of the traffic carried over interconnection which is subject to the provision of the Act and this License. In the event that the parties cannot reach an agreement, the matter shall be determined by the Commission.
- 6.2 The Operator shall establish direct interconnectivity between Operator and other Licensed Operators including public Internet Service Providers. Indirect interconnection with other Licensed Operators shall not be permitted without prior approval of the Commission.
- 6.3 The Operator shall not accept incoming traffic from Licensed Operator(s) which is to be transported to other network(s) of Licensed Operator(s) through the interconnection links of the Licensed System.
- 6.4 In connecting the service to a public telecommunication network operated under a Licence granted under the Act, the Operator shall comply with any technical specification prescribed by the Commission for the purposes of ensuring technical compatibility, avoiding technical harm to network.

CONDITION 7. - ALTERATIONS TO THE NETWORK

The Operator shall provide the Commission all information required by the Commission concerning any proposed changes to equipment or software within the licensed system which are capable of providing other than internet services. The operator shall also comply with any direction made by the Commission from time to time. The Operator shall keep the Commission informed of any changes in the network and obtain approval from the Commission prior to implementation of changes.

CONDITION 8. - RIGHT TO INSPECT & TEST

8.1 Inspection of installations

Authorised representatives of the Commission shall have the right to inspect without prior notice the sites, premises and installations of the operator wherever situated. The right of inspection shall extend to access to inspect leased lines, junctions, terminating interfaces, processing hardware/ software, memories of live, magnetic and optical varieties, wired options, distribution frames, and to enter into dialogue with Input/output devices or terminals, to verify whether the Operator is in compliance with the Licence conditions. The Operator shall provide the necessary infrastructure including but not limited to equipment, manuals, diagrams and etc. for continuous monitoring of the same, required by the authorised representative of the Commission.

8.2

The Commission or its authorized representatives shall have the right to request the operator to demonstrate and explain any operations carried out by the operator at the time of inspection and any time thereafter when required to do so.

8.3 Inspection of records, documents and accounts

The Operator shall permit the authorised representatives of the Commission to inspect without prior notice records, documents and statements of accounts relating to the Operator's business for the due implementation of provisions in the Act and the License. The Commission or authorised representative after inspection has the right to call for certified copies of any records or document and the operator on such request shall provide certified copies as requested.

CONDITION 9. - TELECOMMUNICATION LINKS OUTSIDE THE OPERATOR'S PREMISES

9.1 The Operator shall not have the right to establish or provide any telecommunication links outside the Operator's premises, whether by wire, cable, radio, fibre optics or otherwise, connecting the system to any other telecommunication Licensed System or providing its service to the customers.

9.2 The Operator shall obtain these links from the telecommunications operators who are Licensed by the Commission for this purpose.

9.3 The Operator shall be connected to international Internet backbone through Licensed Operators who provide international service.

CONDITION 10. - DIRECTION BY THE COMMISSION

The Operator shall comply with any directions which the Commission may from time to time issue in the exercise of its powers and duties specified in the Act.

CONDITION 11. - REQUIREMENT TO FURNISH NETWORK PLANS AND OTHER INFORMATION TO THE COMMISSION

11.1 The Operator shall provide the Commission with transmission plans, switching plans, signalling plans and other relevant data which the Commission may by notice or direction require for the exercise of its functions.

11.2 The Operator shall furnish to the Commission, in such manner and at such times as the Commission may request, such documents, statements of accounts, estimates, returns, data or other information and procure and furnish to it such reports as it may reasonably require for the purpose of exercising its functions.

CONDITION 12. - REQUIREMENT TO PROVIDE ITEMISED INFORMATION

12.1 If the Operator provides Telecommunication Service to any person by means of the Licensed System or by means of any other Licensed System including the following :

- a)
 - i) the supply; or
 - ii) the installation; or moving, removal, replacement, connection or commission; or
 - iii) the maintenance; adjustment or repair; of any telecommunication apparatus or systems required for the provision of such service;
- (b) renting of Operator owned Telecommunication apparatus.
- (c) the facility for transacting messages using the Licensed System or any other Licensed System;

it shall specify the relevant charge or charges in any quotation or any invoice relating to each such service rental or transaction of messages.

Condition 13. - CALL METERING AND BILLING

- 13.1 The 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 it to be a source of difficulty.
- 13.2 The Operator shall take appropriate measures to issue bills with periodicity as determined by the Commission in consultation with the Operator, to the users of the service indicating the charges as set out in Condition 12 relevant to the service provided to the subscribers.

Condition 14. - QUALITY OF SERVICE STANDARDS

- 14.1 The Operator shall comply with quality of service standards conforming to international norms and standards as specified by the Commission. The Operator shall provide relevant data, carry out surveys and tests or provide the requisite facilities to enable the Commission to carry out such surveys and tests or to monitor the services provided for the purpose of ascertaining the quality of service rendered by the Operator to its customers or to any other Licensed System. The Operator shall make available such data and the results of any such surveys or tests as and when required by the Commission.
- 14.2 The Operator shall also be solely responsible for the treatment of the subscribers' complaints, issue of bills to its subscribers, attending to claims and damages arising out of this operation.

Condition 15. - PUBLICATION OF CHARGES, TERMS AND CONDITIONS TO BE APPLIED TO CUSTOMERS

- 15.1 The Operator shall, except in so far as the Commission may otherwise determine in writing, publish in the directory and in the manner and at the times specified in paragraph 15.3 in respect of each of the following a notice specifying the charges and other terms and conditions approved by the Commission on which the Operator offers to:
- (a) provide each description of Telecommunication Service by means of the Licensed System, in accordance with obligation imposed by or under this Licence;
 - (b) maintain, adjust or repair any apparatus comprised in the Licensed System in accordance with obligation imposed by or under this Licence;

- (c) connect to the Licensed System any apparatus or any other system which, in either case, is not or is not to be, comprised in the Licensed System in accordance with obligation imposed by or under this Licence;
 - (d) grant permission either to connect systems or apparatus referred to in subparagraph (c) to, or to provide services by means of, the Licensed System in accordance with obligation imposed by or under this Licence;
 - (e) bring into service any apparatus or system which, in either case, is or is to be connected to but not comprised or to be comprised in the Licensed System, where only the Operator is permitted to provide such service;
- 15.2 The charges and the other terms and conditions in respect of any service which is materially different from any service already provided by the Operator by means of the Licensed System may not be published as required under paragraph 15.1 until 90 days prior to the expected date of provision of such service.
- 15.3 Publication of the notice shall be effected by;
- (a) sending a copy thereof to the Commission under acknowledgement not more than 60 days after the date on which this Licence enters into force and thereafter not less than 60 days before any approved amendment of charge, term or condition , or the method of determining the same is to become effective.
 - (b) placing as soon as practicable thereafter a copy thereof in a publicly accessible part of such offices of the Operator in such manner and in such place that it is readily available for inspection free of charge by members of the general public during such hours as the Commission may specify; and
 - (c) sending a copy thereof or such part or parts thereof as are appropriate to any person who may request such a copy.

CONDITION 16. - PUBLICATION OF INTERNET SERVICE DIRECTORY

- 16.1 The Operator shall publish an Internet Service Directory containing all commercial information, names, address and number of the subscribers. If any subscriber does not wish to be listed in the directory, the Operator is free to delete his name from the directory after taking concurrence of the subscriber in writing
- 16.2 All the subscribers of the service shall be entitled to one free entry in this directory and any additional information/specific printing in a particular type at the request of the subscriber free of charge.

CONDITION 17. - PAYMENT OF FEES

17.1 The Operator shall make during the currency of the Licence, on or before 31st January of each year following the issue of the Licence, the following payment:

- (a) A cess imposed under Section 22G of the Act.

CONDITION 18. - PRICES FOR SERVICES

18.1 The Operator shall be entitled to propose such adjustments in tariffs as seem in its commercial judgement suited best to promote its objects and to fulfil the conditions of its Licence. These adjustments in tariffs shall be in accordance with the following criteria which would be subject to periodical review by the Commission.

- (a) the rate of aggregate increase may be equal to or less than the rate of inflation less two (2) percentage points over the period since the previous change in tariffs;
- (b) the rate of aggregate increase shall be determined by calculating the percentage increase in total revenue which would result from the proposed adjustments in tariff to any item therein as specified in (c) below on the assumption that the numbers of subscribers and the traffic generated are held constant;
- (c) the Operator shall be entitled to propose different rates or amounts for any item comprised in the tariff Items provided that the aggregate increase does not exceed the increase specified in sub-paragraph (a) as calculated in accordance with sub-paragraphs (b) and (d), and provided that no item may be increased by more than the rate of inflation;
- (d) the rate of inflation specified in sub paragraph (a) shall be the percentage increase in the level of the Colombo Cost of Living Index between the latest month of publication prior to the date of the proposed adjustments in tariff and the month of publication of equivalent interval of elapsed time prior to the date of the previous adjustments in tariff, provided that in the case of the first proposed adjustments, the date on which this Licence enters into force shall be deemed to be the date of the previous adjustments in tariff;

CONDITION 19. - SEPARATE ACCOUNTS FOR CERTAIN ACTIVITIES

19.1 The Operator shall establish from the beginning accounting and reporting arrangements sufficient to enable the Operator's finances in relation to the various Licensed services and activities not requiring a Licence to be assessed and reported on separately from the other activities of the Operator.

19.2 The Operator shall:

- (a) maintain accounting records in such a form that the activities of the Systems Business and the Apparatus Supply Business are separately identifiable or separately attributable in the books of the Operator, being records sufficient to show and explain the transactions of each of those Businesses;
- (b) prepare in respect of each financial year of the Operator, or of such lesser periods as the Commission may specify but not more frequently than quarterly, accounting statements setting out, and in the case of yearly statements fairly presenting the costs (including capital costs), revenue and financial position of each of those Businesses, Service and Region wise including a reasonable assessment of the assets employed in and liabilities attributable to each of them and showing separately, in the case of yearly accounting statements, the amount of any material item of revenue, cost, asset or liability which has been either;
- (c)
 - (i) charged from or to any other business of the Operator together with a description of the basis of the value on which the charge was made; or
 - (ii) determined by apportionment or attribution from an activity common to the Business and any other business of the Operator and, if not otherwise disclosed, the basis of the apportionment or attribution;
- (d) procure in respect of each of the accounting statements prepared in respect of a financial year of the Operator a report by the Auditor stating whether in his opinion that statement is adequate for the purposes of this Condition; and
- (e) deliver to the Commission a copy of each of the accounting statements and of the reports relating thereto required under sub-paragraph (b) not later than six months after the end of the period to which they relate.

For the purposes of this paragraph the cost of any business does not include profits of that business.

19.3 Accounting statements prepared under paragraph 19.2(b) in respect of each financial year shall be prepared in the formats and in accordance with the accounting principles and rules which apply to the annual accounts of the Operator and shall state the accounting policies used.

CONDITION 20. - PROHIBITION OF CERTAIN ACTIVITIES BY THE OPERATOR

20.1 Prohibition of the sale, lease or transfer of Licensed System

The Operator shall at all times own and operate the Licensed System and shall not without the consent of the Commission Sell, Lease or Transfer to any person, the whole or part of the Licensed System.

20.2 Prohibition of Obscene, unauthorised messages

The Operator shall not undertake to carry objectionable, obscene, unauthorised or any other content, messages or communications through the Licensed System

The Operator is obliged to provide all the tracing facilities of the nuisance or malicious data, messages or communications transported through his equipment and network, to authorised officers of the Commission, when such information is required for investigations of crimes or in the interest of national security. Any damages from default on the part of Operator in this respect shall be the sole responsibility of the Operator.

Condition 21. - PROHIBITION ON UNDUE PREFERENCE AND UNDUE DISCRIMINATION

21.1 The Operator shall not (whether in respect of the charges or other terms or conditions applied or otherwise) show undue preference to, or exercise undue discrimination against, particular persons or persons of any class or description.

21.2 Any question relating to whether any act done or course of conduct pursued by the Operator amounts to such undue preference or such undue discrimination shall be determined by the Commission, but nothing done in any manner by the Operator shall be regarded as undue preference or undue discrimination if and to the extent that the Operator is required to do that thing in that manner by or under any provision of this Licence, or where the Operator gives any discount to its large customers provided that such concessions are extended without discrimination to all customers falling within this category.

CONDITION 22. - ANTI-COMPETITIVE PRACTICES

22.1 The Operator shall:

- a) in providing Telecommunications Services by means of or in relation to the Licensed System;
- b) in supplying any Telecommunication Apparatus for connection to the Licensed System;

- c) in connecting any other system or apparatus to the Licensed System;
 - d) in acquiring any Telecommunications Apparatus or other goods and services required for the provision of its Telecommunications Services;
 - e) in providing or acquiring goods and services ancillary to those enumerated in sub-paragraphs (a) to (d) not engage in Anti-Competitive Practices.
- 22.2 The Operator shall ensure that there are no cross-subsidies between such parts of the Operator's business as the Commission may determine in consultation with the Operator.
- 22.3 The Operator shall establish such accounting and reporting arrangements so as to enable the Operator's finances in relation to different parts of its business to be assessed and reported on separately.
- 22.4 The Operator shall not, without the permission of the Commission, enter into Linked Sales and Exclusive Dealing Arrangements.
- 22.5 Where the Commission determines that the Operator has engaged in Anti-Competitive Practices, the Operator shall take such steps as the Commission may direct for the purpose of remedying the situation.

CONDITION 23. - BODIES RECOGNISED TO BE REPRESENTING THE INTERESTS OF CONSUMERS.

- 23.1 The Operator shall give due consideration to any matter which relates to:
- (a) Telecommunication Services provided by means of or in relation to the Licensed System;
 - (b) Telecommunication Apparatus supplied by the Operator; or
 - (c) the connection to the Licensed System of;
 - i) any Telecommunication System run by any person other than the Operator; or
 - ii) any Telecommunication Apparatus.
and which is the subject of a representation made to the Operator by either :
 - (aa) a body recognised by the Commission as representing the interests of consumers and other users of such telecommunication services or apparatus; or
 - (bb) an advisory body established by the Commission under section 5 (t) of the Act.

23.2 The Operator shall, if requested by the Commission or if it sees fit, furnish to the Commission particulars of any matter considered by the Operator under this Condition, or a digest of activities undertaken in any period in pursuance of this Condition.

Condition 24. - CODE OF PRACTICE ON THE CONFIDENTIALITY OF CUSTOMER INFORMATION

24.1 The Operator shall within three months of the date on which this Licence enters into force submit a draft of the code of practice to the Commission for its approval which:

- (a) specifies the persons to whom they may not disclose information about a customer of the Operator which has been acquired in the course of business without the prior consent of that customer;
- (b) regulates the information about any such customer which may be disclosed without his consent; and

24.2 On approval by the Commission of the code of practice the Operator shall take all reasonable steps to ensure that its employees observe the provisions of such code.

CONDITION 25. - PRE-NOTIFICATION OF JOINT VENTURES

25.1 Where the Operator enters into an agreement –

- (a) with any person or persons for the establishment or control of any body corporate for the purpose of :
 - i) the running of a telecommunication System which requires a Licence, under this Act; or
 - ii) providing telecommunication Services in Sri Lanka which necessarily involve the running of a Licensed System; or
 - iii) the production of Telecommunication Apparatus for supply in Sri Lanka where that production would lead to a monopoly situation which would not otherwise exist in relation to the supply of Telecommunication Apparatus of any description in Sri Lanka;
- (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) ;

the Operator shall, unless the Commission otherwise agrees, notify the Commission not later than 30 days before the taking effect of any such agreements, giving particulars of those agreements.

25.2 For the purpose of this Condition, "Monopoly Situation" has the same meaning as in Section 12 of the Fair Trading Commission Act No: 1 of 1987.

CONDITION 26. - ASSOCIATES

26.1 Where any Associate of the Operator does anything which the Operator is prohibited from doing under the Licence or fails to do anything which the Operator is required to do under the Licence, the Operator shall take such reasonable steps to ensure that the Associate takes such remedial steps to rectify the consequences of the commission or omission as the case may be, as directed by the Commission.

26.2 For the purposes of this Condition a person is an Associate of the Operator;

(a) if he is a Subsidiary of, or is another body corporate in which the Operator has a substantial interest; or

(b) it is a holding company of or controls the Operator.

INTERPRETATION

In these Conditions, unless the context otherwise requires -

"Anti-Competitive Practice" means any practice whereby the 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 persons associated with him, has or is intended to have or is likely to have the effect of, restricting, distorting or preventing competition in connection with the production supply or acquisition of goods in Sri Lanka or the supply or securing of services in Sri Lanka.

"Apparatus Supply Business" means the following activities of the Operator or of any subsidiary of the Operator :

- (a) the supply of any telecommunication apparatus neither comprised nor to be comprised in the Licensed System; and
- (b) the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of any telecommunication apparatus where those activities are not part of the Systems Business.

"Auditor" means the Operator's auditor for the time being appointed in accordance with the requirements of the Companies Act.

"Commission" means the Telecommunications Regulatory Commission of Sri Lanka established under the Act.

"Connectable System" means a telecommunication system which is authorised to be run under a Licence which authorises connection of that system to the applicable System .

"Connection Service" means a telecommunication service consisting in the conveyance of any message which has been or is to be, conveyed by means of the Licensed System.

"Exclusive Dealing Arrangement" means any arrangement whereby the Operator makes the acquisition from any person in Sri Lanka, or outside Sri Lanka by the 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 Operator, or to supply or not to supply to any other person, apparatus of a different description;
- (b) to provide to the Operator or to provide or not to provide to any other person any Telecommunication Service of a different description; or

(c) to transfer to the 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 his industrial or intellectual property in order to confer on the Operator or some other person an unfair competitive advantage.

"Frame relay" means a packet switched data service providing for the interconnection of Local Area Networks (LANS) and access to host computers at higher speeds (up to 2 Mbit/s.

"G.703" means a Recommendation of International Telecommunication Union regarding Physical/electrical characteristics of hierarchical digital interfaces.

"Integrated Services Digital Network" (ISDN) means Digital telecommunications lines with two channels that can yield a combined capacity of 128 kbps.

"Interconnection" means the physical and logical connection of two Operators' networks thereby allowing customers of one system to connect with customers of the other, or to access services provided from the other system.

"Indirect Interconnection" means the physical and logical connection of two Operators' networks via a network of third Operator.

"Internet Service"—means a service by means of a global network of networks, mainly narrow band, accessed by users with a computer and a modem via a Licensed Operator.

"Leased line" means a fixed unswitched communication link that is rented for exclusive 24- hour, 7-days-a- week use from one location to another location.

"Licensed Operator" means any person who, at the relevant time, has the benefit of a License granted under Section 17 of the Act.

"Linked Sale" means a sale where the Operator agrees to

- (a) provide any Telecommunication Service by means of or in relation to the Licensed System.
- (b) supply any Telecommunication Apparatus for connection to the Licensed System;
- (c) connect any other system or apparatus to the Licensed System on the condition that the person who has requested such Telecommunication Service, Telecommunication Apparatus or connection service shall acquire from the Operator or from any other person specified or described by the Operator:
 - (i) any Telecommunication Service other than the Telecommunication Service requested, save where that service cannot be provided without the provision of that other service; or

- (ii) 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.

"Link" means a connection maintained or to be maintained between two nodes for the purpose of transmission of messages.

"Network" means a collection of nodes and links which are connected to together by means of transmission paths and which can include a variety of functional units such as switching centres, repeaters etc.

Network Termination Point- all physical connections and their technical access specifications which form part of a Public Telecommunications Network and are necessary for access to and efficient communication through that public network .

"Node" means an exchange used for switching of messages or a branching node of a transmission bearer used for transmission of such messages to the destination.

"Protocol " means specification that describes how computers will communicate to each other on a network.

"Public Switched Telephone Network" (PSTN) means the telecommunications networks of the major Operators, on which calls can be made to all customers of all PSTNs.

"Systems Business" means the following activities of the Operator or any subsidiary of the Operator :

(a) the running of the Licensed System.

(b)the installation, maintenance, adjustment, repair, alterations, moving, removal or replacement of any apparatus comprised or to be comprised in the Licensed System.

"Telecommunications Network" means Transmission equipment and, switching equipment and other resources which permit the conveyance of signals between defined termination points by wire, by radio, by optical or by other Electro-magnetic means.

"Voice telephony service" means service available to the public for the commercial provision of direct transport of speech via the public switched network or networks such that any user can use equipment connected to a network termination point at a fixed location to communicate with another user of equipment connected to another termination point.

"X.25 " means widely available, low speed, packet switched data service, operating at speeds below those offered by Frame Relay.

Any word or expression used in these Conditions shall unless the context otherwise requires have the same meaning as it has in the Act.

SCHEDULE 4

REVOCATION

The Minister may at any time revoke this Licence by 30 days' notice in writing given to the Operator at its registered office in any of the following circumstances:

- (a) if the Operator agrees in writing with the Minister that this Licence should be revoked;
- (b) if any amount payable under Condition 17 is unpaid and remains unpaid for a period of 14 days after the Commission notifies the Operator that the payment is overdue, which notification shall not be given earlier than the sixteenth day after the day on which the payment became due;
- (c) if the 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 3 months after the Commission has given notice in writing of such failure to the Operator;
- (d) if the operator fails to comply with any rule or regulation for the time being in force under the Act.
- (e) if it is found that the issue of the Licence had been based on inaccurate or incorrect information provided by the Operator.
