

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

1. I, **Ranil Wickremesinghe**, President of the Democratic Socialist Republic of Sri Lanka and in my capacity as Minister in Charge 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 Tata Communications Lanka Limited, a company duly incorporated in the Democratic Socialist Republic of Sri Lanka under the Companies Act No. 7 of 2007 bearing Company No. PB 210 (hereinafter referred to as "the Operator"), a Licence to operate a telecommunication system 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 **06th June 2023** and shall be of **10 years'** duration unless previously revoked in accordance with Schedule 4.
3. The Commission may amend the Licence from time to time where objectively justifiable and in a proportionate manner. Any amendment shall be made in accordance with Section 18 of the Telecommunications Act No. 25 of 1991 as amended.
4. The provisions of the Act and all Rules and Regulations made there under shall apply to the Operator for all purposes.

19.07.2023



Ranil Wickremesinghe

President and Minister of Technology

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SCHEDULE 1

THE LICENSED SYSTEM

1. The Licensed System consists of Telecommunication Systems which is established by the Licensee for the purpose of providing International Telecommunications Service between one or more points in Sri Lanka and one or more points outside the Sri Lanka.
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 Operator.
 - c. any terminal apparatus.

SCHEDULE 2

AUTHORISATION TO CONNECT OTHER TELECOMMUNICATION SYSTEMS & APPARATUS TO THE LISENSED SYSTEM 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.
2. Subject to that limitation and without prejudice to the Act and paragraph 1, this license authorises the connection to:
 - a. any other connectable telecommunication system, which Commission has notified the Licensee, run under a License;
 - b. any telecommunication system outside Sri Lanka except a telecommunication system which Commission has notified the Licensee should not, or as the case may be should cease to, be connected to the Licensed System.
 - c. telecommunication apparatus which is of a type approved by the Commission under the Act.
3. Subject to paragraph 1, this Licence authorises the provision of International Services as specified below through other licensed Operators who are licensed to provide domestic services by means of the Licenced Systems::
 - I. Voice Telephony Services
 - II. Data Communications Services
 - III. Leased Line Services
 - IV. Television Transmission Services
4. The Operator shall not have the right to establish its own telecommunications links to connect customers directly to the licensed Systems. The Operator shall obtain these links from the Operators who are licensed by the Commission for this purpose.
5. The License does not authorise to provide domestic Telecommunication Services

SCHEDULE 3

LICENCE CONDITIONS

PART I: BASIC OBLIGATIONS

1. General

- 1.1. The Operator shall comply with the provisions in the Act and Rules & Regulations made there under.
- 1.2. The Operator shall strictly and without any undue delay comply with any directions, which the Commission may from time-to-time issue in exercise of its powers, functions or duties under the Act, or in this Licence.
- 1.3. The Operator shall maintain and operate the Licensed Systems as described in Schedule 1 for the provision of the Services as authorized in Schedule 2. The Operator shall not operate or provide any system or service, which has not been authorized in the Schedules 1 and 2 respectively.

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 authorization of the Commission.
- 2.4. Within 3 months from the grant of this Licence, the Operator shall, after consulting with the Commission on the development goals of the Government, draw up a Development Plan in accordance with the planning objectives specified by the Commission.

- 2.5. The Development Plan shall include detailed description of the design, technical specifications and characteristics of the proposed network infrastructure and services. At a minimum, the Operator shall provide a schematic network architecture diagram showing:
- a. overall network hierarchy for delivery of services;
 - b. the type and extent of different architecture options to be deployed;
 - c. points of aggregation;
 - d. nature/type of aggregation device proposed at each level in the hierarchy, including equipment type/make;
 - e. links between points of aggregations, plus the interconnection links to other Operators and indicating the type of link proposed;
 - f. location of the network boundary point;
 - g. network management arrangements to ensure end-to end service delivery, including reference to relevant national and international Quality of Service standards for end-to-end services, detection and response/restoration/repair processes and supporting systems.
- 2.6. The Development Plan shall cover such period as may be agreed between the Commission and the Operator and shall be reviewed and renewed at such intervals as may be agreed between the Commission and the Operator. For the duration of the Development Plan, the Operator shall be obliged to implement it according to its terms except to the extent that the Commission agrees to any modifications in it.
- 2.7. 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.

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.

3. Connection of Apparatus not Comprised in the Licensed System

- 3.1. 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.

4. Payment of Fees

- 4.1. The Operator shall make during the currency of the Licence, on or before 31st of January of each year following the issue of the Licence, the following payment:
- a. Cess imposed under Section 22G of the Act.

PART II: TECHNICAL OBLIGATIONS

5. Use of Telecommunication Equipment in the System

- 5.1. The Operator shall be required to provide details relating to the existing telecommunications infrastructure of the Licensed System and the type of the technology employed for provision of authorised services within 3 months from the grant of licence. Subsequent changes to the telecommunication infrastructure of the Licensed System and/or introduction of new technologies to the network shall be notified to the Commission in advance for approval

6. System Architecture and Network Design

- 6.1. The Operator shall maintain an up-to-date record of the configuration of the system used for the provision of telecommunication services. This record shall include the following details and shall be supplemented by schematic diagrams where the Commission considers appropriate:
- a. The description, nature, specification and configuration of building blocks, including embedded software and information programmed into the nodes or remote computer equipment and switches in or connected with the system, the interconnection between the building blocks and all incoming and outgoing telecommunication circuits connected to the Licensed System.
 - b. The information identifying the circuits such as circuit identification number of the provider of the circuit, type, quantity and the special features and functions available on or in connection with these circuits.
- 6.2. The Operator shall design its network to support high quality voice, data and video services include symmetric applications such as high-definition video-conferencing and shall have sufficient capacity to meet current and foreseeable demand consistent with international trends.

7. Changes to the System

- 7.1. The Licensee shall give notice in writing to the Commission and shall notify all parties affected of any changes it intends to implement in the specification or performance of the Systems which would require changes to any equipment connected to the System. The period of notice, in consultation with the Commission, shall be appropriate to the likely impacts on the parties affected.
- 7.2. The Operator shall obtain the prior approval of the Commission before implementing such changes, where the Commission considers proposed changes to the Licensed System referred to in paragraph 7.1, would cause another licensed Operator of the

Commission has to make major changes in its own network in order to maintain the interoperability with the System of the Operator.

8. Technical Standards

- 8.1. The Operator shall comply with any technical standard prescribed by the Commission for the purposes of ensuring technical compatibility, avoiding technical harm to network or preventing safety hazards to personnel in the connection of telecommunication apparatus to the Licensed System.
- 8.2. The Commission shall have right to direct the Operator to demonstrate that the service complies with the technical standards prescribed by the Commission and the Operator shall comply with such directions.
- 8.3. The Operator shall comply with the electromagnetic compatibility standards as may be specified by the Commission from time to time.

9. Operation of Radio Communication Stations

- 9.1. The Operator shall utilize the assigned frequencies entirely for the provision of the licensed undertaking. The Operator further covenants that it shall, in the use of the frequency spectrum, conform to the general allocation of frequencies in the ITU Radio Regulations.
- 9.2. The Operator shall use its best endeavours to ensure that the location, assigned frequencies, emissions, output power, polarisation, antenna characteristics and other technical parameters of each telecommunications installations for radio communication shall at all times conforms to the technical standards as specified by the Commission. The Operator shall not change the location of the telecommunications installations for radio communication or its technical parameters without the prior written approval of the Commission.
- 9.3. The Operator shall take all necessary steps to ensure that the use of the telecommunications installation for radio communications is safe and does not cause interference to other existing radio communication networks operating in the same band or in other bands.
- 9.4. The Operator shall also take appropriate measures to ensure that its radio Communication equipment is adequately protected from interference that may be caused by networks operating in the same band or in other bands.
- 9.5. The Operator shall ensure that non-ionising radiation emissions from its telecommunications installations for radio communication are within the limits specified by the Commission and that it complies with the standard on human exposure

to radio frequency radiation adopted and published by the Commission from time to time.

10. Numbering

- 10.1. The Operator shall conform to the National Numbering Plan prescribed by the Commission in the operation of the Services and directions issued by the Commission in respect of the usage, allocation and assignment of Access Codes.
- 10.2. The Commission reserves the right to assign, withdraw, alter and/or reallocate Access Codes allocated to the Operator at any time, upon written notice. The Operator shall have no proprietary right to the Access Codes assigned.

PART III: INTERNATIONAL SERVICE OBLIGATIONS

11. International Commitments

- 11.1. The Operator shall at all times comply with the provisions of the constitution and Convention of the International Telecommunication Union (ITU) and the regulations and recommendations annexed to it, and without limiting the generality of the foregoing, the recommendations made by the Radio communication Sector and Standardisation Sector established under the Convention and any other international convention, agreement, arrangement, or treaty to which Sri Lanka is or shall become a party.
- 11.2. The Commission shall notify the Operator from time to time of any such convention, agreement, arrangement, or treaty, which Government entered.

12. Provision of International Service

- 12.1. The Operator shall take all reasonable steps to provide by means of the Licensed System to any person to whom it provides Telecommunication Services by means of such Systems and who so requests, International telecommunication Services to the extent as the Commission may consider practicable in the circumstances. The Operator shall also endeavour to provide sufficient international telecommunication facilities to meet the requirements of and demand for international telecommunication services.
- 12.2. The Operator shall be required to build, operate & maintain international Telecommunications infrastructure, which include back-haul facilities, international gateway facilities, cable landing stations, Earth Station facilities and submarine cable/satellite transponder capacity, depending on the selected means of provision. The Commission provides Operator with the necessary regulatory support and assistance in order to Operator may gain access to relevant infrastructure (access to Satellite facilities and submarine cable landing rights etc.) for the provision of international telecommunication services.

- 12.3. The Operator shall endeavour to ensure the security and robustness of international telecommunication networks in order to achieve effective use thereof and avoidance of technical harm thereto, as well as the harmonious development of international telecommunication services offered to the public
- 12.4. The Operator shall provide International telecommunication Services to all the countries, which ITU has assigned or may assign country code, via the cheapest and most direct route. If there is no direct route existing between the Sri Lanka and overseas destination concerned, the Operator shall use the most direct transit route for both incoming & outgoing telecommunication traffic and notify it to the Commission.
- 12.5. The Operator shall obtain the approval of the Commission to provide International Simple Resale (ISR) service on a route-by-route basis for the provision of the service. The Operator shall provide documentary proof from the relevant authorities in the foreign country that ISR between Sri Lanka and the foreign country is permitted.

13. International Service Circuit Routings

- 13.1. The Operator shall provide the detailed information on the technical configuration and circuit routing of the licensed system used for routing of messages between the licensed system and the authorised overseas Systems for the provision of International Service route-by-route basis. The detailed information referred to in above shall include details on any transit nodes, switches involved in the routing of calls and routing information programmed into the switch or any remote computer equipment for each overseas destination.
- 13.2. Operator shall not alter the:
- a. Calling Line Identity (CLI) of the original calling party and the original calling party CLI shall be passed on in the conveyance of a call accordingly;
 - b. Access code, in the handling of outgoing traffic, dialled by the calling party.

14. International Traffic & Transit Service

- 14.1. The Operator shall endeavour to use Sri Lanka as a transit point for routing of international telecommunication traffic between overseas Operators.
- 14.2. The Operator shall require to furnish statistics of the volume of inbound and outbound traffic routed through the Licensed System in each month on a quarterly basis in such a way that:
- a. Monthly total billable minutes of outbound traffic from end customers via public switched telephone networks for each international route;

- b. Monthly total billable minutes of outbound traffic from end customers via leased lines for each international route
- c. Monthly total conversation minutes of inbound traffic delivered to end-customers via public switched telephone networks for each international incoming route;
- d. Monthly total conversation minutes of inbound traffic delivered to end-customers via leased lines for each incoming international route.

15. International Settlement Regime

- 15.1. The Operator shall furnish all accounting rates and accounting arrangements to the Commission under recorded delivery of the particulars of such routes and the accounting rates on a quarterly basis. The Operator may with a view to fulfilling the requirements specified in this paragraph, negotiate with operators running Authorised Overseas Systems.
- 15.2. Any subsequent changes to agreements shall be notified to the Commission. Such notification, which shall include the new rate, the rate division applicable, the currency, the effective date and the distant carrier, is to be made no later than 2 week before the date of such change to the accounting rate. Where changes to the accounting rate are made retrospectively, Operator is required to notify the change no later than 2 week after the date that the change to the accounting rate is agreed.
- 15.3. Any changes of a temporary nature to the accounting rate shall be notified to the Commission with the exception that the notification must be made 48 hours before the temporary change to the accounting rate, such temporary changes being limited to a maximum duration of six weeks per route per year in each direction.
- 15.4. The Commission shall have power to make a determination on the question of whether an accounting rate, method of settlement or division of the accounting rates has or is likely to have an effect to the detriment of other licensed operators and users of international conveyance services in Sri Lanka on international routes. Where such a determination is made, the Commission may direct the Operator to take such steps necessary to remedy the situation or to cease to convey any messages to the far end country.

16. Restriction on Exclusive Arrangement for International Services

- 16.1. The Operator shall not enter into any agreement or arrangement:

- a. which unfairly preclude or restrict, to the detriment of the national interest and;
- b. that has the effect of substantially and effectively distorting competition in the provision of international telecommunication services between that country and Sri Lanka.

PART IV: INTER OPERATOR OBLIGATIONS

17. Interconnection and Access

- 17.1. The Operator shall have access, and shall provide access, to the connectable systems operated by other Licensed Operators. The Operator shall establish and maintain sufficient points of interconnections with adequate capacity 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 Commission shall determine the matter.
- 17.2. The Operator shall take every endeavour to facilitate open access to its network, including measures or models to ensure equivalence of access prices and non-price terms and conditions, and arrangements for allowing other Operators to differentiate their service offerings to customers.
- 17.3. The Operator shall use all reasonable endeavours to ensure that Interconnection is done promptly, efficiently and at charges, which are costs based so as to compensate the costs of the Operator for provision of interconnection.
- 17.4. The Operator shall comply with the Interconnection Guidelines as may be specified by the Commission from time to time.
- 17.5. In connecting the service to other telecommunication network, which operates 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.

PART V: COMMERCIAL OBLIGATIONS

18. Tariffs for Services

- 18.1. The Operator shall lodge a notice of tariffs with the Commission, which sets out in relation to each kind of authorised service in Schedule 2 that the Operator proposes to offer.
- a. a description of the service;
 - b. details of the nature and amounts of charges payable for the service, and
 - c. the method adopted for determining the charges.
 - d. Terms and conditions applicable for the provision of the service
 - e. Period of applicability
- 18.2. The notice shall be precise and detailed enough to be used to work out the nature and amounts of charges payable for the supply of the particular service. The notice of tariffs lodged with the Commission shall state the period (i.e. the term) for which it is to be in force.
- 18.3. The Operator shall outline how its proposed tariffs have been determined with reference to the underlying costs of providing services and demonstrate that the underlying costs are incurred on an efficient basis. The Operator shall explain the basis on which they have derived the cost of capital, including how investment risks have been calculated. The Commission shall have reserve the right to determine a price cap for the authorised services in Schedule 2.
- 18.4. For subsequent revision of tariffs, the Operator shall give the reasons for a change of tariffs in the previous tariff plan. The revision of tariffs shall not be effective until these are notified to the Commission.
- 18.5. The Operator shall not impose any terms and conditions for the provision of any specified service until the Commission has approved such terms and conditions.
- 18.6. The Operator shall provide the specified service at the charges, terms and conditions so approved by the Commission and shall not depart from without prior written approval by the Commission of the proposed charges, terms and conditions.
- 18.7. The Operator shall publish in a manner and at the times in paragraph 18.9 the charges, terms and conditions on which it offers to provide the specified telecommunications service in accordance with an obligation imposed by or under this licence.
- 18.8. Publication shall be effected by:
- a. placing as soon as practicable thereafter a copy thereof in a publicly accessible part of every office of the Operator in such manner and in such place that is readily available for inspection free of charge by members of the general public during such hours as the Commission may prescribe.

- b. sending a copy thereof or such parts thereof as are appropriate to any person who may request such a copy.

18.9. Where the Operator publishes a notice of amendment to a charge in the form of an extract from the Operator's price list, the new tariffs shall be clearly identifiable, and the operative date specified.

18.10. Tariffs that have been filed with the Commission as at the date of issue of this licence shall continue to be in operation under this licence until they are varied, amended or withdrawn

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 comply with any directions made by the Commission from time to time in relation to the preparation and delivery of accounting statements to the Commission.

19.2. The Operator shall:

- a. maintain accounting records in such a form that the activities of the systems business and the mobile terminal equipment 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;

- (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 ;

- c. 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
- d. 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.

20. Anti- Competitive Practices

- 20.1 The Operator shall not enter into any agreement, arrangement or understanding that shall in any way prevent or restrict competition in relation to the operation of Licensed System, provision of authorised services and acquisition of any telecommunication installations, services or apparatus. In particular, the Operator shall not enter into linked Sale or Exclusive Dealing Arrangements.
- 20.2 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.
- 20.3 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.
- 20.4 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.

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. In particular, the Operator shall not give any undue preference to, or receive an unfair advantage from, a

business carried on by it or an associated or affiliated company, if the Commission is of the opinion that the competitors of the Operator could be placed at a substantially disadvantage position or the competition would be prevented or significantly restricted.

- 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 License, 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.

22. Ownership of the Licensed System

- 22.1 The Operator shall at all times own and operate the Licensed System and is not permitted to transfer of shares or sell, lease / transfer the whole or part of the Licensed System to any person without the prior approval of the Commission.
- 22.2 The Operator shall not issue or transfer or redeem shares such as would give rise to a change in control of the Operator or a material change in the ability of the Operator to perform the authorised Services without the prior consent of the Commission.

23. Pre-Notification of Joint Ventures

- 23.1 Where the Operator enters into an agreement -
- a. with any person or persons for the establishment or control of anybody 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);

23.2 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.

24. Affiliate

24.1 Where any Affiliate 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 Affiliate takes such remedial steps to rectify the consequences of the commission or Commission as the case may be, as directed by the Commission.

For the purposes of this Condition a person is an Affiliate 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.

PART VI: CUSTOMER SERVICE OBLIGATIONS

25. Privacy & Confidentiality

25.1 The Operator shall take all reasonable steps to safeguard the privacy & confidentiality of any telecommunication messages conveyed by means of the Licensed System.

25.2 The Operator shall not use information provided by its customers or obtained in the course of provision of service to its customers other than for and in relation to the provision by the Operator of the service under this licence.

25.3 The Operator shall not disclose information of a customer without consent of the customer except under the following circumstances:

- a. where disclosure is deemed necessary by the Commission for the violation of the provisions of the Act or the relevant security agencies or law enforcement or for Prevention/ detection of crime or prosecution of offenders;
- b. where sharing of information with other licensed Operators is necessary to detect, prevent or investigate into fraud under the directions of the Commission.

26. Customer Protection

- 26.1 The Operator shall comply with any directions issued by the Commission for the purposes of protecting the interests of its customers or Users time to time.

The Operator shall, in consultation with the commission, prepare and publish within three months of the date on which this licence enters into force, a code of practice for the customer complaints handling, resolution of customer disputes and in relation to nonpayment of bills and disconnection. The Commission may from time to time issue directions to the Operator specifying any modifications or additions that it considers should be made to the code or as to the publication, republication, implementation or further modification of the code.

- 26.2 The operator shall participate in good faith in any dispute resolution procedure established by the Commission for the resolution of such disputes. The Operator shall 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.
- 26.3 The Operator shall, in the manner and at the times specified by the Commission, publish the standard terms and conditions under which it provides each category of authorised Services to its customers. The Operator shall ensure that a statement of all applicable terms and conditions of each category of authorised Services is promptly made available for inspection at the request of any member of the public.
- 26.4 The Operator shall deliver to the Commission copies of all standard form contracts from time to time issued by the Operator in connection with the provision of authorised services to the customers.

PART VII: OTHER OBLIGATIONS

27. Right to Inspect & Test

- 27.1. The Operator shall allow the authorised representatives of the Commission to enter and inspect without prior notice the sites, places and premises where the Operator has installed telecommunication equipment, or used for the provision of the service, to verify that the Operator is in compliance with the licence conditions. The 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.

- 27.2. The Operator shall provide the necessary infrastructure including but not limited to equipment, manuals, diagrams required by the authorized representative of the Commission to inspect, test, read or measure any telecommunication installations, telecommunications equipment or apparatus.
- 27.3. The Commission or its authorised 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.
- 27.4. 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.

28. Requirement to Furnish Network Plans and other Information to the Commission

- 28.1. The Operator shall provide the Commission with transmission plans, switching plans and other relevant technical data which the Commission may by notice or direction require for the exercise of its functions.
- 28.2. The Operator shall furnish to the Commission, in such manner and at such times as the Commission may request, such information related to the business, including financial information, statements of accounts, estimates, returns and other records or information as the Commission may reasonably require for the purpose of exercising its functions.

29. Quality of Service Standards

- 29.1. The Operator shall comply with Quality of Services (QoS) standard conforming to international norms and standards as specified by the Commission from time to time for the provision of authorised services. 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.
- 29.2. The Operator shall install equipment and devices that meet ITU-T standards for measuring the Quality of the NGN Services. The Commission shall order the Operator to install or upgrade the equipment and devices to the required standards within 30 days from the date of such instruction if the Commission has reason to believe that measuring equipment devices or methods are not installed or do not meet the required standards.

30. Bypass

30.1 The Operator shall 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 rule, direction or guideline on traffic handover or bypass control measures that may from time to time be notified by the Commission to the Operator;
- c. is inconsistent with any Bypass Control Rules /Code; or
- d. has the purpose or has or is likely to have the effect of avoiding or minimising the Operator's liability to pay any levy or charge imposed under any other law or regulations and any universal service contribution imposed under the Act.

30.2 Without limiting clause 30.1, the Operator shall not in the case of a Voice Call transmitted utilising internet protocol format, hand the call over to another network for termination on a connectable network without having first translated it from internet protocol format to switched minute format.

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

- a. traffic handled by the Operator; and
- b. Operator's interconnection arrangements with other parties, as may be specified in the Bypass Control Rules/Code or any bypass information recording rules notified by the Commission to the Operator from time to time or requested by the Commission.

30.4 if

- a. the Commission has reason to suspect that the Operator or an Affiliate has been knowingly concerned in any conduct that is inconsistent with clauses 30.1 or 30.2; or
- b. the Operator has failed to comply with the information reporting requirements in clause 30.3, the Commission may, subject to clause 30.5:
- c. direct the 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 Operator or its Affiliate of any interconnection charges payable to the Operator and pay any such charges instead to an escrow account notified by the Commission.
- e. direct the Operator and any other relevant operator
 - I. to suspend the availability of Equal Access for the Operator's services and/or those of its Affiliate; or
 - II. to suspend interconnection with the 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 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 30.1 or clause 30.2, and in the case of paragraph (b) until the Commission is satisfied that the Operator is in compliance with clause 30.3.

30.5 Any direction pursuant to clause 30.4 shall:

a. not be made until:

- i. the Operator has received notice that the Commission is considering exercising its powers pursuant to clause 30.4
- ii. the Operator has had a reasonable opportunity to make representations to the Commission in respect of any powers set out in Clause 30.4 proposed to be exercised by the Commission; and
- iii. the Commission has considered any representations made by or on behalf of the Operator.

b. take effect:

- i. immediately on notice in writing, in the case of a direction pursuant to paragraph 30.4(c); and
- ii. following five (5) days' notice in writing, in the case of a direction pursuant to paragraphs 30.4(d) to (f); and

c. be binding on the Operator and any other relevant parties until such time as the Commission is reasonably satisfied that the Operator and/or the Affiliate is in compliance with clause 30.1, 30.2 or 30.3, as the case may be.

30.6. If after investigation the Commission has determined that the Operator is in breach of clause 30.1, 30.2 or 30.3, the Commission may:

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

31. Lawful Interception and Content Filtering

- 31.1 The Operator shall have provision to accommodate the directives of the national security authorities and law enforcement agencies in respect of lawful interception and shall extend technical assistance to them in the instances investigations are carried out.
- 31.2. The Operator shall incorporate the feature of ISP-level content filtering into the Licensed System when network is dimensioned.

32. Prohibition of Obscene Messages and unsolicited bulk electronic Communications

- 32.1. The Operator shall not undertake to carry objectionable, obscene, unauthorised or any other content, messages or communications through the Licensed System.
- 32.2. 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.
- 32.3 The Operator shall endeavour to take necessary measures to prevent the propagation of unsolicited bulk electronic communications and minimize its impact on international telecommunication services.

33. Safety

- 33.1. 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.

- 33.2. Wherever the facilities or related construction activity of the Operator create a serious hazard to public safety or welfare, the Operator shall take all necessary actions to immediately abate the hazard. If the Operator cannot contact the relevant authorities immediately, the Operator shall proceed to abate the hazard immediately and shall notify the Commission and make any required changes as soon as possible.

PART VIII: INTERPRETATIONS

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| Accounting Rate | The rate agreed between authorized operating agencies, in a given relation that is used for the establishment of international accounts. |
| Accounting Separation | The preparation of separate accounts for different business and parts of businesses run by the same company or group of companies, so that the costs and revenues associated with each business and part of a business (and transfer between them) can be separately identified and properly allocated. |
| Anti-Competitive Practice | 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 | <ol style="list-style-type: none">a. The following activities of the Operator or of any subsidiary of the Operator:b. the supply of any telecommunication apparatus neither comprised nor to be comprised in the Licensed System; andc. 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 | The Operator's auditor for the time being appointed in accordance with the requirements of the Companies Act. |
| Backhaul | Backhaul is a high capacity inland circuit. It represents the connection between a cable landing station and an operators existing domestic infrastructure |
| Broadband | A term used to describe large-capacity networks that are able to several services at the same time, such as data, voice and video. |
| Building Block | A device which provides input/output relationship with the aid of circuit components. |

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| Cable landing station | The means by which an international operator connects an undersea cable to backhaul |
| Commission | The Telecommunications Regulatory Commission of Sri Lanka established under the Act. |
| Connectable System | A telecommunication system which is authorised to be run under a Licence which authorises connection of that system to the applicable System |
| Connection Service | A telecommunication service consisting in the conveyance of any message which has been or is to be, conveyed by means of the Licensed System. |
| Cross Subsidy | The financing of losses made in one market by pricing below incremental costs from profits made in another. |
| Customer | Any person who has indicated willingness in writing with the Operator to receive Telecommunication Services from the Operator on the Operator's terms and conditions or has in writing entered into a contract with the Operator for the provision of such service. |
| Data Communications Service | A service available to public for the commercial provision of conveying from one location to another of information, facts, concepts that originate or is recorded in alphabetic, numeric or pictorial form or as a signal in a formalized manner suitable for communication, interpretation or processing by a machine such as telex machine, fax machine, computer, router etc. via data network, wired and wireless network or networks and all other data related services but not limited to data hosting, cloud computing etc. which do not include two way speech. |
| Ducts | The tubes through which cables are laid. |
| Electromagnetic compatibility | The condition which prevails when telecommunications equipment is performing its individually its designed functions in a common electromagnetic environment without causing or suffering unacceptable degradation due to unintentional electromagnetic interference to or from other equipment in the same environment. |

Exclusive Dealing Arrangement

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.

Financial Statements

Documents that collectively make up, inter alia, the regulatory accounts reflecting accounting separation and interconnection standard services. The statements are audited to check that they fairly represent the financial results for the Businesses which are divided for regulatory purposes (inter alia to help disclose unfair cross subsidies between and within business and that interconnection charges can be shown to be fairly derived from costs and applied without discrimination).

Interconnection

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.

International Gateway

A communication server which enables Licensed System to interconnect with other compatible system in overseas.

International Route

Technical facilities and installations located in different countries and used for telecommunication traffic between two international telecommunication terminal exchanges or offices

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| International Simple Resale | International outgoing calls provided by an Operator to customers using the international facilities owned by other operators. The Operator collects traffic from the PSTN, transfers it to a line leased from a facilities Operator, and then hands it over to a PSTN in an overseas country who will deliver the call to its destination. |
| International Telecommunication Service | The offering of a telecommunication capability between telecommunication offices or stations of any nature that are in or belong to different countries. |
| International Telecommunication Service Operator (ITSO) | Shall mean an operator licenced herein to operate a telecommunication system providing international telecommunication services set out in Schedule 2 of this licence and include any reference to an External Gateway Operator (EGO) in the Act, rules, regulations, direction etc or any other law. |
| International Telecommunication Union (ITU) | A United Nation Organisation that co-ordinates use of the spectrum and creation of technical standards for communication equipment. |
| Interoperability | Interoperability means the technical features of a group of interconnected systems (systems includes equipment owned and operated by the customer which is attached to the public telecommunication network), which ensure end-to-end provision of a given service in a consistent and predictable way |
| License | License is a unilateral grant of permission to provide a telecom service or operate a telecoms network and shall not be regarded as a contract or bilateral agreement |
| Leased line | 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 | Any person who, at the relevant time, has the benefit of a License granted under Section 17 of the Act. |
| Link | A connection maintained or to be maintained between two nodes for the purpose of transmission of messages. |

Linked Sale

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. 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.

National Backbone Network

A fibre optic broadband network that connects other networks together and provides service to homes and businesses either through licensed Operators or directly. The network will achieve speeds up to 25Mbps for 90% of Sri Lankan within 5 years period.

Network

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 Access Services

Network Access Services are services that can be technically and economically provided by NBN Operator directly to the other Operators using its network made up of high-speed lines between major switching points.

Next Generation Network

A packet-based network able to provide services including Telecommunication Services and able to make use of multiple broadband, QoS enabled transport technologies and in which service-related functions are independent from underlying transport-related

technologies. It offers unrestricted access by users to different service providers.

Node

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

Non-Ionising radiation

It is a type of energy, in the lower range of the electromagnetic spectrum, which does not have the ability to remove ions from molecules.

Non-proprietary technical standard

means:

- a. the standard is fully published;
- b. equipment meeting the standard is available from alternative suppliers on a competitive basis; and
- c. permission to use any intellectual property rights associated with the standard may be readily obtained at a reasonable cost.

Open access

where a network operator grants access to its network to any other licensed Operator who may reasonably request it.

Predatory Pricing

A firm deliberately sacrificing short-run profits in order to weaken competitors or drive them out of the market enabling it to earn monopoly rents in the longer term by sustaining prices (and therefore profits) at a level higher than would otherwise obtain in a competitive market.

Price Discrimination

Supplying the same product/service to different customers at different prices in relation to differences in costs. Conventional price discrimination is possible where the supplier is able to segment the market, either on the basis of (known) different demand characteristics, or by a self-selecting set of volume related tariffs.

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| Software | The messages transmitted or processed through a communication medium. This term also refers to the instructions (programs) written for programmable computers. |
| Telecommunications Network | The 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. |
| Transponder | The part of a satellite that receives an incoming signal from an Up-link and retransmits it on a different frequency to a down-link. |
| Voice Telephony Service | A service available to the public for the commercial provision of direct transport of real time speech via the public switched network or its equivalent 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. |

SCHEDULE 4

REVOCATION

1. 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:

if the Operator agrees in writing with the Minister that this Licence should be revoked;

if any amount payable under Condition 4 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.

- a. 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;
- b. if the operator fails to comply with any rule or regulation for the time being in force under the Act.
- c. if it is found that the issue of the Licence had been based on inaccurate or incorrect information provided by the Operator.
