

REPUBLIC OF IRAQ
COMMUNICATIONS AND MEDIA COMMISSION



**REGULATION FOR LICENSING GLOBAL
MOBILE PERSONAL COMMUNICATIONS BY
SATELLITE (GPMCS) OPERATORS**

IN THE REPUBLIC OF IRAQ

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Preamble

The Telecommunications Regulatory Authority of the Republic of Iraq represented by the Communication and Media Commission (the "CMC") is charged with licensing GMPCS operators in Iraq under authority and regulation of order 65 – 2004.

In developing and implementing its licensing plans for the GMPCS Licensed Services, the CMC is committed to encourage investment, improve telecom infrastructure in Iraq, provide access to high quality services, and create suitable environment for equal competition.

1. DEFINITIONS

1.1 In this License, the following terms have the following meanings:

"CMC" means Communications and Media Commission.

"License" means the license to operate GMPCS systems and networks, of which terrestrial system located outside Iraq.

"GMPCS" means Global Mobile Personal Communications by Satellite services.

"Operator" any entity licensed by CMC to operate GMPCS systems and networks and to provide support to service providers within the territory of the Republic of Iraq, which operator's terrestrial network system is located outside Iraq.

"Service Provider" any entity licensed by CMC to provide GMPCS services within the territory of the Republic of Iraq pursuant to a GMPCS Agreement with another CMC-licensed GMPCS operator.

"License Term" has the meaning set forth in Clause 2.1.

"National Security Laws" means Iraqi laws of national security and the related regulation, procedures, and instructions.

"Network" means a system of GMPCS interconnected facilities and software designed to transport information and provide direct communication services to satellite users.

"Person" means a natural person or any entity with legal personality.

"Regulation" means any regulatory regulations issued by CMC in accordance with power set forth in CMC law in force.

"Order 65" means CMC law in force.

"Communications Legislations" CMC law in force and Telecommunications law.

- 1.2 Unless otherwise defined in this License, all terms defined in the Telecommunications Legislation have the meanings and interpretations set out therein, whether or not capitalized herein.
- 1.3 All references in this License to laws, regulations, decrees or other legal instruments are subject to order 65. Any future modifications, amendments, replacements, re-enactments and/or substitutions is subject to upcoming Iraq Telecommunication law.
- 1.4 In this License, words importing the singular include the plural and vice versa, and use of any gender includes any and all genders.
- 1.5 Every provision of this License is separate and severable, so that if any provision is held invalid, unenforceable or illegal for any reason, the remainder of this License will remain in full force and effect.
- 1.6 In this License, the term "including" shall be deemed followed by "without limitation", "by the way of example and not limitation", or any other similar phrases.

2. Term of License

- 2.1 This License is effective for a term of (1) year beginning on the date of issuing and is renewable annually- subject to amendments by the CMC (with the intention being that this License requires improvement in line with future Iraqi Telecommunication law), provided that the CMC gives Licensee at least 30 days prior notice, unless extended under Clause 2.2 or terminated early under Clause 6.
- 2.2 The CMC reserves the discretion to renew this License, which discretion the CMC may exercise in case of any amendments in the licensing process for the new licensed services or for other reasons.
- 2.3 Licensee will not be entitled to any compensation on expiration or earlier lawful suspension, termination or revocation of this License, whether under this Clause 2, under Clause 6 or otherwise.
- 2.4 The CMC reserves the right to refuse a GMPCS application if the applicant is deemed not to meet the technical or financial terms and conditions of the License, or deemed not to meet the terms and conditions set forth herein during the renewal Term.

3. LICENSED SERVICES, FACILITIES

Licensee is authorized on a non-exclusive basis to provide the following GMPCS services in the Republic of Iraq:

- 3.1 Basic services, which include:
 - Voice services;
 - Emergency service;

- Fax services;
- Media SMS
- Data services.

3.2 Value-added services, which includes:

- Call waiting;
- Calling number display;
- Call diversion
- Call suspension
- Group calls
- SMS
- Call value notice
- Call control by user
- Mail Box
- Closed user group

Or any other new value-added services following obtaining CMC approvals.

4. FEES AND OTHER PAYMENTS

4.1 Licensee will promptly pay the license fee amounted to IQD 7,500,000 (seven million and five hundred thousand Iraqi dinars).

4.2 If Licensee defaults in making payment under this License, then Licensee will pay interest on past due amounts from the date due through the date paid, which interest will accrue from day to day and be calculated on the actual number of days elapsed in a 365-day year. The applicable rate of interest will be such default interest rate as may be published by the CMC in the Regulations from time to time. Licensee's obligation to pay, and the CMC's right to collect, interest on late payments is without prejudice to (a) the CMC's right to revoke this License or take any other corrective action for non-payment, and (b) all other liabilities and damages that may be imposed on the Licensee as a result of its breach of the License terms and conditions.

5. AMENDMENT

5.1 Order 65 in force is subject to future amendment once Telecommunications Law adopted by the Iraqi parliament to clarify the CMC role and enforcement under Telecommunication law.

- 5.2 Any provision in this License may be amended by the CMC:
 - 5.2.1 if Licensee is in material breach of or default under one or more terms of this License or the Telecommunications Legislation and such breach or default has not been cured;
 - 5.2.2 if the CMC delivers to Licensee the notice under Clause 5.3.
- 5.3 Before amending this License under Clause 5.2.2, the CMC must notify Licensee:
 - 5.3.1 stating that it proposes to amend this License and setting out the text and effect of such amendment;
 - 5.3.2 specifying its reasons for making such amendment; and
 - 5.3.3 stating the time (being not less than 30 days after the notice is given) during which Licensee may submit comments on the proposed amendment.

6. TERMINATION

- 6.1 This License may be terminated by the CMC if Licensee and the CMC agree in writing to terminate this License.
- 6.2 This License may be revoked by the CMC as set forth in Clause 6.3 or the applicable provisions of the Telecommunications Legislation if:
 - 6.2.1 The CMC determines that Licensee has committed a serious violation or repeated violations of the terms and conditions of this License, the Telecommunications Legislation, the National Security Laws or CMC law in force; or
 - 6.2.2 Licensee enters into liquidation, bankruptcy, or equivalent proceedings.
- 6.3 In order to revoke this License on the grounds specified in Clause 6.2, the CMC will:
 - 6.3.1 notify Licensee in writing of its intent to revoke this License and the specific reason(s) or circumstance(s) that constitutes the basis for such revocation; and
 - 6.3.2 confirm that the basis for revocation, if deemed curable by the CMC, has not been cured or remedied within 30 days after receipt by Licensee of such notice, except in circumstances that, in the CMC's discretion, warrant immediate revocation without affording Licensee an opportunity to cure.
- 6.4 CMC has the right to revoke or reject a license based on national security violations.

7. CONTINUITY OF SERVICE

Licensee must comply with the directions of the CMC to ensure continuity of Services for Licensee's customers over Licensee's Network upon termination or expiry of this License as per CMC arrangements and in accordance with its systems.

8. Suspension of Licensed Operators, Fines and Other Penalties

- 8.1 If Licensee breaches or defaults under this License, the Telecommunications Legislation or the National Security Laws, without prejudice to the authority of the CMC to revoke this License under Clause 6.2 or 6.4, the CMC may take any actions and/or impose any penalty or fine authorized by the Telecommunications Legislation [including relatives articles of Order 65], and the CMC may suspend this License in whole or in part, and impose a fine in such amount as the CMC determines to be proportionate to the gravity of the breach or default.
- 8.2 Licensee will promptly pay or otherwise comply with any penalty, fine or other restriction or requirement imposed by the CMC in accordance with Clause 8.1 above.
- 8.3 Any termination or suspension of this License is without prejudice to the rights and remedies of the CMC under this License, the Telecommunications Legislation or any applicable law as at the date of termination, and Licensee will not in such cases be entitled to a refund of any fee, contribution or other amount paid.

9. ASSIGNMENT, TRANSFER, CHANGE OF OWNERSHIP, SUBCONTRACTING

- 9.1 Without the prior written approval of the CMC and compliance with the Telecommunications Legislation, Licensee may not:
 - 9.1.1 assign, pledge or otherwise transfer to another Person this License or any rights under it; or
 - 9.1.2 dispose of its Network or substantially all of its assets.
- 9.2 Licensee may operate and maintain part of its network or system by subcontracting to other Persons. In such case, Licensee's obligations under this license shall remain the sole responsibility and liability of the Licensee.
- 9.3 Licensee will notify the CMC in advance of the material terms of any proposed transaction described in Clause 9.1.1 or 9.1.2 including any information that may be reasonably requested by the CMC. The CMC will approve or reject any such transaction within 30 days after being notified thereof. Any such transaction that is attempted without the prior written approval of the CMC will be deemed an unlawful assignment and in breach of the terms and conditions herein, whereupon the License will be subject to revocation by the CMC, and CMC shall all legal actions to preserve its financial and legal rights.
- 9.4 Without limiting the foregoing, the CMC may reject any proposed transaction subject to Clause 9.1 as the CMC deems appropriate, taking into account and based on:
 - 9.4.1 the effect on the competitiveness of the relevant market;

9.4.2 matters of national security; and

9.4.3 any other considerations deemed relevant by the CMC under applicable laws.

10. COMPLIANCE WITH LAWS AND REGULATIONS

10.1 Licensee must observe all applicable laws and regulations of the Republic of Iraq, including Order 65, Telecommunications Legislations, National Security Laws, competition laws and laws for the protection of environmental conditions and of classified tourist and historical and holy sites.

10.2 Nothing in this License relieves Licensee from any of its obligations under applicable laws and regulations (such as order 65 or CMC law then in force) and/or any of its obligations to obtain any other licenses, permits or approvals that may be required under any law or regulation in force in the Republic of Iraq.

11. GOVERNING LAW AND DISPUTE RESOLUTION

11.1 This License will be governed by and construed according to the laws of the Republic of Iraq and order 65 or any CMC law then in force. All disputes will be subject to the exclusive jurisdiction of the CMC and the Iraqi courts as provided for in order 65 or CMC law then in force.

Annex A

LICENSE REGULATORY CONDITIONS

Licensee must comply with the following regulatory conditions and all Regulations as the same may be amended from time to time by the CMC:

1. Service Obligations

- 1.1 Licensee shall comply with all universal service obligations and universal right of use obligation, both of which shall be determined by CMC. Licensee shall pledge to fulfil such obligations in the specific time set by CMC.
- 1.2 Licensee will maintain and provide to the CMC in a timely manner and upon request any periodic report, statistics and other data or information required by the CMC to supervise and enforce effectively the terms of this License and carry out its functions under CMC's law and instructions.
- 1.3 Licensee shall provide the CMC with the name of the Person with whom an agreement was made to provide GMPCS services in the Republic of Iraq as well as a valid copy of such agreements on which issuance a License by CMC is based.

2. Interoperability and Technical Standards of Equipment

- 2.1 Licensee will comply with all applicable Telecommunications Legislation to ensure interoperability of its Licensed Services and Network with telecommunications services and Networks licensed by CMC in the Republic of Iraq.
- 2.2 Licensee shall provide the CMC with interoperability agreements or any other similar agreements in relation to provision of service in the Republic of Iraq.
- 2.3 Licensee shall not allow use of terminals to provide GMPCS services in the Republic of Iraq, unless such terminals are adopted by CMC and meet all international standards. Further, all types of devices – whether sold, leased, or distributed by Licensee to provide GMPCS services – must be approved by CMC.

3. Competitiveness

- 3.1 CMC is committed to fair competitiveness principle to ensure provision of best communication services to the public. CMC thus considers GMPCS market open without limitation to the number of licenses awarded.
- 3.2 Licensee will not enter into any agreement or arrangement that in any way has the objective or effect of preventing or restricting competition in relation to GMPCS services by Licensee or any provider.

4. Environmental Protection

4.1 Licensee will take steps with respect to the construction, installation, operation and maintenance of its Network and all equipment to minimize harm to the environment within the Republic of Iraq.

4.2 Licensee will comply with all Iraqi applicable environmental laws and regulations.

5. Customer Protection

Licensee will not engage in any unfair or deceptive practices in its dealings with customers and will comply with all applicable laws and regulations regarding customer protection.