

# LICENSING

## Internet Exchange Licence Guidance

### Application Guidance for an Internet Exchange Licence

**Purpose:** To provide details of the application process for an Internet Exchange Licence.

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### Licence Application Guidance for an Internet Exchange Licence

#### Introduction

This document sets out the application procedure of the Telecommunications Regulatory Authority (the “**Authority**”) for an Internet Exchange Licence (“**Internet Exchange Licence**”) and guidance on that procedure for potential applicants for an Internet Exchange Licence (“**Applicants**”).

In this document capitalized terms shall, unless otherwise stated, have the meaning given to them in the telecommunications law promulgated by Legislative Decree No. 48 of 2002, published in the Official Gazette, Issue No. 2553 of October 23, 2002 (17 Sha’aban 1423(h)) (the “**Telecommunications Law**”). Applicants should familiarize themselves with the Telecommunications Law before making an application for any Licence. Whilst the Telecommunications Law as published in the Official Gazette is the only authoritative version of the law, the Authority has published an informal English translation of the Telecommunications Law for information purposes only.

#### Scope and Form of the Internet Exchange Licence

The Internet Exchange Licence is an Individual Licence, as defined in the Telecommunications Law. Although the Authority has the power to grant an Individual Licence with any terms and conditions it considers appropriate pursuant to section 28(c)1 of the Telecommunications Law, it will normally award an Internet Exchange Licence in the standard form. Applicants should familiarize themselves with the standard form of the Internet Exchange Licence before making an application for an Internet Exchange Licence.

An Internet Exchange Licence is the appropriate Licence for Applicants who wish to establish, operate, manage and maintain an internet exchange. However, Applicants cannot provide under this licence public voice services, being the provision of a two-way voice call services between members of the public for compensation, nor actively facilitate the use by its Telecommunications Facilities by third parties to offer such a service. Appropriate licences must be obtained prior to the offering of such services.

#### Legal Disclaimer

This document is issued by the Authority pursuant to its general power at section 3(18) of the Telecommunications Law. Nothing in this document shall be construed to be a binding interpretation of the Telecommunications Law or the conditions of any Licence included in the Official Gazette Standard Forms or to conflict with or amend the terms of the Telecommunications Law or the conditions of the Official Gazette Standard Forms. Applicants are advised to obtain their own legal advice in connection with the interpretation of any term of the Telecommunications Law or any condition of any Licence included in the Official Gazette Standard Forms.

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### **Application Process**

The application process for an Internet Exchange Licence follows the procedure set out at sections 27 and 29 of the Telecommunications Law for Individual Licences. The application form (with guidance notes) is the form prepared by the Authority in accordance with section 27(a) of the Telecommunications Law. Applicants wishing to apply to the Authority for an Internet Exchange Licence should submit a signed and completed application form. However, the Authority reserves its right to seek any additional information to that set out in completed application forms from Applicants or to obtain any clarifications it considers necessary in order to ensure, pursuant to section 29(c) of the Telecommunications Law, that Applicants satisfy the conditions provided for in the Telecommunications Law and in the laws, regulations and resolutions issued by the Authority.

### **Process for licence award**

TRA will consider the Internet Exchange Licence application on a case-by-case basis and will seek dialogue with each Applicant in order to ensure clear understanding of their proposal.

TRA will notify the Applicant in writing within 14 days of receipt of the application as specified in section 27(a) of the Telecommunications Law that it has received the application. If no acknowledgement has been returned within this period, please contact TRA to ensure that the application has been received. TRA reserves the right to request additional information or to seek clarification of information supplied.

TRA will recommend or reject complete and comprehensive licence application within 90 days of receipt. If recommended, Internet Exchange licence awards will normally be approved within 30 days of recommendation with no more than a further 30 days if necessary.

### **Summary of Conditions**

Without prejudice to any other conditions provided for in the Telecommunications Law and in the laws, regulations and resolutions issued by the Authority, the main conditions that Applicants for an Internet Exchange Licence must satisfy are that:

- (a) the Applicant is a juristic entity incorporated in the Kingdom of Bahrain or a branch of a foreign company licensed to operate in the Kingdom of Bahrain in accordance with the Commercial Companies Law (section 26(a)1 of the Telecommunications Law);
- (b) substantially all the infrastructure and personnel associated with the provision of the value-added services which the Applicant wished to provide under the Internet Exchange Licence will be located in the Kingdom of Bahrain (section 26(a)2 of the Telecommunications Law);
- (c) the Applicant has sufficient resources, skills and expertise in the field of internet exchange provision (section 29(c)1 of the Telecommunications Law)).

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The Authority will also assess any application in accordance with its duties set out at section 3(b) of the Telecommunications Law, being its obligation to protect the interests of Subscribers and Users in respect of the tariffs charged for services, the availability and provision of service, quality of services and protection of personal particulars and privacy of services, the promotion of effective and fair competition among new and existing Licensed Operators and to ensure that any Applicant wishing to provide Public Telecommunications Services shall be able to provide those services.

### **Licence Fees**

Pursuant to section 18(a)(1) of the Telecommunications Law, Applicants are required to pay the following fees for an Individual Licence:

- (a) an application fee of five thousand Bahrain Dinars (BD 5,000), to be paid in cleared funds to the Authority upon submission of a completed application form for an Internet Exchange Licence. In the event that the Authority decides not to grant an Internet Exchange Licence to an Applicant, the application fee shall be refunded to the Applicant on or before the date upon which a final decision must be made by the Authority pursuant to section 29(d) of the Telecommunications Law;
- (b) There will be an annual licence fee payable to TRA, which is 2% of gross annual turnover arising from telecommunications activities.

Applicants for an Internet Exchange Licence should note that, upon becoming licensees, they may, in addition, be required to pay an annual fee, set by the Ministry of Commerce, which relates to their Commercial Registration. Applicants must direct any questions relating to Commercial Registration directly to the Ministry of Commerce.

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- (b) an annual licence fee at the rate of two percent (2%) of the gross annual turnover of the Applicant attributable to the licensed services, payable in advance on or before January 31 each calendar year based upon the gross annual turnover for the previous calendar year adjusted for any increase when the gross annual turnover for the current year becomes available.

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