

Licence overview and Award Process Value Added Services Licence (VAS)

Introduction and status of this document

Bahrain has opened its telecommunications market to competition. Matters relating to the liberalisation process are referenced in this website and in particular within the Publications page, will be found 'A Guide for potential entrants to the Bahrain market (CCA DC 003).

Value Added Services (VAS) licence is available to qualified and competent applicants. This licence will provide wide scope for new entrants as they permit the provision of a wide range of services.

VAS licence is a class licence, issued by the Telecommunication Regulatory Authority. The remainder of this document gives details of the licensing process, the associated licence fees and provides an application form.

Legislative Decree no. 48 promulgating the Telecommunications Law governs applications for, and the content and grant of licences. This document is issued in accordance with Section 32 (c) of the Telecommunications Law. Nothing in the document shall be construed to conflict with, or amend, the Telecommunications Law and applicants should familiarise themselves with the Law and the draft licences that are available on TRA website www.tra.org.bh.

Process

VAS licence applicants are invited to register with the Telecommunications Regulatory Authority (TRA).

The licensing process must, amongst other matters, ensure that licensees are qualified, as defined by the Law, financially sound, technically competent, and capable/willing to comply with security and anti-obscenity requirements, this to the general end that TRA is able to fulfil its obligations and exercise its rights under the Telecommunications Law. Notable among the obligations imposed upon TRA by the Law are the following:

1. protect the interests of subscribers and users in respect of:
 - the tariffs charged for services;
 - availability and provision of service;
 - quality of services; and
 - protection of personal particulars and privacy of services;
2. promote effective and fair competition among new and existing licensed operators; and
3. ensure, when assessing applications involving provision of public telecommunications services, that any applicant or any person to whom any such service falls to be provided, shall be able to provide those services.

Once a VAS licence is awarded, the licensee is added to a list held by TRA, which is open to public inspection.

Licence term, eligibility and Fee Structures

Licences are granted by TRA, under the terms of the Law, for a period of fifteen years. It is the present intention of TRA to issue licence in the form illustrated in Sample VAS Licence, LSU LC 014, which can be found on the Licensing page.

No limit is set upon the number of VAS licences that may be granted.

In order for a licence to be granted, the following is required:

1. that the license applicant be a juristic entity incorporated in the Kingdom, or a branch of a foreign company licensed to operate in the Kingdom in accordance with the Commercial Companies Law.
2. that substantially all the infrastructure and personnel associated with the provisions of telecommunications service be located in the Kingdom.

For Value Added Services Provider licence, an initial fee of BD1,000 will be charged, by TRA, upon grant of VAS licence. This will cover the period from the date at which the licence becomes effective to 31st December in the year of grant of the licence. Subsequently, there will be an annual licence fee, payable to TRA, which is 2% of gross annual turnover arising from the licensed activities.

Applicants for VAS licence should note that they, will upon becoming licensees, in addition, be required to pay an annual fee that is set by the Ministry of Commerce which relates to Commercial Registration. Applicants must direct any questions relating to Commercial Registration to the Ministry of Commerce.

Technical, Quality of service and other requirements

1. DELIVERY OF THE SERVICE:

The Licensee shall be responsible for installation, testing and commissioning of all of its equipment related to the provision of the service.

2. TECHNICAL AND QUALITY OF SERVICE REQUIREMENTS:

The equipment, operational processes and delivery mechanisms used by the VAS licensee shall conform to any interface, protocol, parameter and other requirements laid down by TRA, from time to time. It will be noted from the attached licence that Value Added Services are defined as:

‘enhanced or value added telecommunications data and/or voice services that act on the format, content, code or protocol of information in order to provide the user with additional or different information or that involve subscriber interaction with stored information, including computer and data processing services, data information and exchange services, credit card verification services but excluding transmission services to or over the Internet that require an internet service provider licence.’

Arising from the breadth of this definition it is not possible for TRA to be definitive with regard to technical requirements at a general level. The issues must be addressed on a case-by-case basis and it is essential that any application for a VAS licence is fully explicit both, with regard to the nature and specification of the service to be provided, and with regard to the technical means of provision, if applicable.