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## **GUIDELINES FOR APPLICATION OF SERVICE PROVIDER FOR THE TELECOMMUNICATIONS INDUSTRY (SETI) LICENCE**

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## **1 INTRODUCTION**

- 1.1 These Guidelines set out details of the SeTi Licence, the fee structure and the procedures for application. It is intended as a guide for applicants and are not intended as a substitute for legal advice. Applicants should seek advice from their own legal counsel before submitting an application. The Authority reserves the right to change its policies or practices and amend this document from time to time as it sees fit and without prior notice.
- 1.2 These Guidelines are advisory in nature and the Authority will not normally depart from them without good reason. Applicants should note that the granting of a SeTi Licence is at the sole discretion of the Authority.
- 1.3 The Authority reserves the right to disclose information regarding the identity of the parties who have submitted applications for a SeTi Licence.

## **2 LEGAL PROVISIONS**

- 2.1 *Section 3 of the Telecommunications Order, 2001* (the "Order") grants the Authority the exclusive privilege for the operation and provision of telecommunication systems and services in Brunei Darussalam. The Authority may, under *Section 5 of the Order*, grant licences to a person to operate telecommunications systems and services, subject to conditions imposed by the Authority.
- 2.2 Any person who provides a telecommunication system or service within Brunei Darussalam without a licence granted under *Section 5* commits an offence under *Section 33 of the Order*. *Sections 33(1) and 33(2) of the Order* provides that a fine of up to **B\$100,000.00** can be imposed by the Authority for the offence of providing an unlicensed telecommunication service, and further fine of up to **B\$10,000.00** every day for a continuing offence after conviction

## **3 DEFINITIONS**

**"AITI" or "the Authority"** means Authority for Info-communications Technology Industry of Brunei Darussalam.

**"CPE"** means Customer Premises Equipment which refers to any equipment located within the customer's premises that enables users to connect to the telecommunications network or services.

**"Infrastructure"** includes telecommunications systems, networks, facilities and other equipment (except for CPE).

**"InTi Licence"** means the Infrastructure Provider for the Telecommunications Industry Licence.

**“Order”** means the Telecommunications Order, 2001.

**“payment”** means payment made directly to the Authority’s bank account.

**“person”** includes a corporate entity.

**“premise”** has the same meaning as the Building Control Act (Cap.256).

**“SeTi Licence”** means the Service Provider for the Telecommunications Industry Licence.

**“Telecommunications”** has the same meaning as in the Telecommunications Order, 2001.

## **4 SERVICE PROVIDER FOR THE TELECOMMUNICATIONS INDUSTRY (SETI) LICENCE**

### **4.1 A SeTi Licence allows an operator to:**

- 4.1.1 lease telecommunication facilities from an InTi Licensee to provide telecommunication services to third parties;
- 4.1.2 resell the services of an InTi Licensee such as telecommunication system, network, facilities and equipment (except for CPE) outside of his own premises to third parties; or
- 4.1.3 resell the services of a SeTi Licensee, or any other operator as determined by the Authority to provide telecommunication services to third parties.

### **4.2 Any person who has deployed their own telecommunication network, systems and facilities within their own premise, but intends to offer telecommunication services to third parties residing within its premises is also required to obtain a SeTi Licence.**

### **4.3 A SeTi Licence may be granted in one or more of the following classes of service:**

- 4.3.1 **Public Mobile Telecommunication Service**  
A licensee may offer mobile telecommunication services to the public.
- 4.3.2 **Public Non-Fixed Telecommunication Service**  
A licensee may offer non-fixed telecommunication services other than mobile telecommunication to the public.
- 4.3.3 **Public Fixed Telecommunication Service**  
A licensee may provide telecommunications services to the public using fixed line and switching or fixed wireless infrastructure.

**4.3.4 Resale of Telecommunication Service**

A licensee may resell telecommunication services to the public through a commercial arrangement with an InTi Licensee, a SeTi Licensee, or any other operator as determined by the Authority.

**4.3.5 Internet Access Service**

A licensee may establish, install and maintain a public internet access system to provide Internet access services to the public.

**4.3.6 Bandwidth Exchange Service**

A licensee may establish a physical interconnection site to link to international telecommunication networks such as the Internet backbone. The licensee will aggregate the traffic from other operators and send it to the foreign networks via leased circuits. The licensee may also exchange traffic between domestic operators.

**4.3.7 Private Network Service**

A licensee may provide a private network arrangement to its customers through the infrastructure or service provided by an InTi Licensee, or a SeTi Licensee, or any other operator as determined by the Authority. The traffic carried by such providers is physically or logically separated (e.g., through dedicated private links such as local leased circuits or through virtual private network solutions) from traffic in the public networks.

**4.3.8 Public Payphone Service**

A licensee may provide payphone services in customer(s') premises through the commercial arrangement with an InTi Licensee, or a SeTi Licensee, or any other operator as determined by the Authority.

**4.3.9 Prepaid Telecommunication Service**

A licensee may provide prepaid telecommunication services to the public through the commercial arrangement with an InTi Licensee, or a SeTi Licensee, or any other operator as determined by the Authority.

**4.3.10 Value-Added Service**

A licensee may provide value-added services to the public that are accessible through the telecommunication services (namely, through the Public Mobile Telecommunication Service, Public Non-Fixed Telecommunication Service, Public Fixed Telecommunication Service and Resale of Telecommunication Service).

Note that from 1 August 2018, the Authority has exercised forbearance from licensing activities falling within the definition of Value-Added Services. This means that value-added services accessible through the Public Internet Access Service but not the above telecommunication services need not be licensed under the Order. This class of service will include operators who provide store & forward, store & retrieve and audiotext services.

- 4.4 With respect to Internet Access Service (where the public can gain access to the Internet) and Value-Added Service (where the provider offers content accessible through telecommunication services), additional authorisations from regulators may be required.
- 4.5 A SeTi Licensee is free to lease or resell services from any InTi Licensee, SeTi Licensee and any other operator as determined by the Authority, in accordance with commercially negotiated contracts. However, the Authority reserves the right to intervene in situations to address resource constraints, competitive behaviour or any other public interest concerns.

## **5 ELIGIBILITY**

- 5.1 An applicant for a SeTi Licence must be:
- 5.1.1 a company incorporated under the Companies Act (Chapter 39); or
  - 5.1.2 a Brunei Darussalam government agency; or
  - 5.1.3 a body corporate established in Brunei Darussalam by or under any written law.
- 5.2 The applicant must not be subject to majority foreign ownership or control. This means:
- 5.2.1 The foreign party must not have the power or right to appoint or remove the majority of the directors or determine the compositions of the board of directors of the applicant.
  - 5.2.2 The foreign party must not control or have the right to exercise more than half of the voting power at a general or board meeting of the applicant.
  - 5.2.3 The foreign party must not own or hold an interest in more than half of the issued share capital of the applicant. This includes preference and other shares as long as such shares confer voting rights.
- 5.3 A “foreign party” includes:
- 5.3.1 In the case of an individual – anyone who is not a Brunei Darussalam citizen; and
  - 5.3.2 In the case of a company, a body corporate or other entity – any such business structure or other entity (whether established or incorporated in or outside Brunei Darussalam) which is ultimately owned (whether partially or wholly) or controlled, by one or more persons who are not Brunei Darussalam citizens or by one or more entities incorporated or established outside Brunei Darussalam.

## **6 APPLICATIONS**

6.1 Applications shall be made in such form and manner as the Authority may determine and shall be supported by such information as the Authority specifies. In particular, the information listed in **Appendix A** must be submitted. The absence of requested information may invalidate the application. The Authority may seek clarification or additional information from the applicant regarding the information provided in the application.

6.2 Applicants are bound by the contents of the application and must make every effort to ensure the accuracy of the information submitted. A declaration regarding the truth, accuracy and completeness of the information submitted must be made at the end of each application. The Authority reserves the right to render null and void, any Licence issued on the basis of inaccurate or untrue information.

### **6.3 Submission of Applications**

6.3.1 The applicant must submit one (1) hardcopy of the completed application to the Authority at the following address:

**APPLICATION FOR A SERVICE PROVIDER FOR THE TELECOMMUNICATIONS  
INDUSTRY (SETI) LICENCE**

Chief Executive  
Authority for Info-communications Technology Industry of Brunei Darussalam  
Block B14, Simpang 32-5,  
Kg. Anggerek Desa, Jalan Berakas,  
Bandar Seri Begawan BB3713,  
Brunei Darussalam

Attention: Licensing Unit

6.3.2 One (1) non-editable softcopy of the completed application must also be submitted via e-mail to [licensing\\_unit@aiti.gov.bn](mailto:licensing_unit@aiti.gov.bn).

6.3.3 A non-refundable application fee described in **Section 9** of this document must be paid at the time the application is submitted.

6.3.4 The process for applications is illustrated in **Appendix B**.

## **7 EVALUATION AND DECISIONS ON THE APPLICATION**

- 7.1 The Authority will evaluate each application based on its merits, taking into consideration the following:
- 7.1.1 Vision of the applicant;
  - 7.1.2 Organisational structure of the applicant;
  - 7.1.3 Financial capability and strength of the applicant;
  - 7.1.4 Competition strategies of the applicant for the provision of services;
  - 7.1.5 Technical soundness of the applicant's plans;
  - 7.1.6 Technical capability of the applicant to implement the plans;
  - 7.1.7 Commitments of the applicant in fulfilling its vision and plans;
  - 7.1.8 Benefits to the consumer and industry brought by the applicant;
  - 7.1.9 Enhancement to the telecommunication services, capability, capacity and connectivity;
  - 7.1.10 Level of technological and service innovation and responsiveness of the applicant;
  - 7.1.11 Mechanism for customer to access services;
  - 7.1.12 Partners in providing the network and services;
  - 7.1.13 Competitive pricing;
  - 7.1.14 Quality of service;
  - 7.1.15 Level of customer support;
  - 7.1.16 Any resource limitation and physical constraints; and
  - 7.1.17 Any other information provided by the applicant.
- 7.2 The Authority will only start processing the application when complete information has been submitted and application fees has been paid.
- 7.3 The Authority endeavours to respond to the applicant about the status of the application within one (1) month of submission of a complete application.
- 7.4 Approved Applications:
- 7.4.1 Once the Authority notifies the applicant that the application is approved, the applicant shall make payment of the first year's annual licence fee for the SeTi Licence within thirty (30) calendar days of the notification or as otherwise directed by the Authority. Failure to pay the same in a timely manner may be grounds for the SeTi Licence to be cancelled, terminated or suspended. This fee is non-refundable, notwithstanding any subsequent cancellation, termination or suspension of the licence by the Authority or the withdrawal by the applicant.
  - 7.4.2 Once the SeTi Licence is granted, the applicant must commence operations of the licensed services within six (6) months of the grant of the licence. Failure to do so may result in the SeTi Licence being cancelled, terminated or suspended by the Authority.



- 7.4.3 A successful applicant, i.e., the Licensee will be granted a SeTi Licence as approved by the Authority. The terms applicable to a particular Licensee will be in accordance with the actual SeTi Licence that is issued. An indicative form of the SeTi Licence is in **Appendix C**.

## **8 ABOUT THE LICENCE**

- 8.1 The SeTi Licence prescribes the regulatory framework through which the Authority will regulate the Licensee, in addition to the provisions under the prevailing legislation. The Licensee will also have to comply with any codes of practice, directions or advisory guidelines that the Authority may issue from time to time under *Sections 26, 27 and 28 of the Order* respectively. For avoidance of doubt, the Licensee must also abide by any other relevant Laws of Brunei.
- 8.2 The licensed activity(ies) will be described in Part I of Schedule A of the Licence. Any changes (addition, modification, removal) to the licensed activity(ies) must be approved by the Authority **prior to** deploying such services. The Authority will issue an updated SeTi Licence reflecting the necessary changes. There may be fees associated with this.
- 8.3 The SeTi Licence will be valid for a term of seven (7) years or as may be specified by the Authority. The SeTi Licence will be renewable upon written approval by the Authority and subject to terms that may be imposed by the Authority.
- 8.4 An annual licence fee is payable by a SeTi Licensee. Details are in **Section 9** of these guidelines. The annual licence fee is payable in advance of the licence period and are non-refundable, notwithstanding any cancellation, termination or suspension of the SeTi Licence by the Authority, or a withdrawal by the applicant after the approval for the SeTi Licence has been granted.
- 8.5 Licensees must submit a **renewal** application together with the payment of any applicable renewal fees, at least three (3) months prior to the expiry of the SeTi Licence. The application submitted shall contain updated information and plans for the next license period for the Authority's approval. The Authority cannot guarantee licence renewal before expiry of the current licence if the renewal applications is submitted short of the three (3) months.
- 8.6 The Licensee shall:
- 8.6.1 meet its rollout commitments as stipulated in the licence application;
  - 8.6.2 address resource allocation issues as required by the Authority;
  - 8.6.3 cooperate with other parties as directed by the Authority, such as providing access and interconnection with other licensees;
  - 8.6.4 abide by the accountability principles imposed on the Licensee; and
  - 8.6.5 adopt practices such as those that promote healthy competition and protect consumer interest.

## 9 FEE STRUCTURE

9.1 The Authority is empowered under the *Section 5(2)(b) of the Order*, to levy fees for licences granted.

9.2 The applicable fee structure for the SeTi Licence is set out below:

<b>Application Fee (non-refundable)</b>	BND5,000 to be submitted with the application for each licence class. The same is also payable upon the renewal of the licence.
<b>Licence Duration</b>	Seven (7) years
<b>Annual Licence Fee</b>	Minimum of BND5,000 per annum or 3.25% of AGTO (Annual Gross Turnover) to be charged on an annual basis, whichever is higher.
<b>Payment Terms for Licence Fee</b>	<p>The successful applicant shall make full payment of the annual licence fee according to the payment terms specified in the invoice. Failure to pay such fee may be grounds for the licence to be cancelled, terminated or suspended.</p> <p>The Authority reserves the right to exercise its power under <b><i>Section 8 of the Order</i></b> for failure to pay the annual licence fee in full within two (2) months of the due date.</p>

## 10 ENQUIRIES

10.1 Any enquiries should be made in writing via e-mail to [licensing\\_unit@aiti.gov.bn](mailto:licensing_unit@aiti.gov.bn).

## 11 PUBLIC REGISTER

11.1 The Authority will maintain a public register of all licensees. The register can be found on its website at <http://www.aiti.gov.bn>.

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**APPENDIX A:**      **(I) Checklist on the Submission Requirements for a Service Provider for the  
Telecommunications Industry (SeTi) Licence Application**  
                         **(II) Information Requirements for a SeTi Provider for the Telecommunications  
Industry (SeTi) Licence Application**

*Refer to Appendix A*

**APPENDIX B:**      **Process for SeTi Licence Applications**

*Refer to Appendix B*

**APPENDIX C:**      **Sample of SeTi Licence with Terms and Conditions**

*Refer to Appendix C*

[END OF DOCUMENT]

The applicant must submit this **Checklist on the Submission Requirements for a Service Provider for the Telecommunications Industry (SeTi) Licence** with complete application document to the following address:

**APPLICATION FOR SERVICE PROVIDER FOR THE TELECOMMUNICATION INDUSTRY (SeTi) LICENCE**

Chief Executive

Authority for Info-communications Technology Industry of Brunei Darussalam (AITI)

Block B14, Simpang 32-5, Kg. Anggerek Desa, Jalan Berakas, Bandar Seri Begawan, BB3713, Negara Brunei Darussalam.

(Attention: Licensing Unit)

**Note:** Where applicable, the applicant is required to obtain the necessary licence(s) and/or approval(s) as below:

LICENCE/APPROVAL	ACTIVITY	CONTACT POINT	CONTACT INFORMATION
<b>Dealer Telecommunication Licence</b>	Resale of Telecommunication and Radiocommunication Equipment	AITI Online Services	Text message via WhatsApp application at +673 863 5298
<b>Dealer Type Approval and Import Permit</b>	Approval and importation of Telecommunication and Radiocommunication equipment prior to selling the equipment		Or via email at <a href="mailto:helpdesk@aiti.gov.bn">helpdesk@aiti.gov.bn</a>
<b>Station Licence</b>	For owning and operating of radiocommunications equipment	Frequency Assignment and Station Licence	Email at <a href="mailto:frequency.assignment@aiti.gov.bn">frequency.assignment@aiti.gov.bn</a>

ITEM	REQUIREMENTS FOR A COMPLETE InTi LICENCE APPLICATION		SUBMISSION (Please Tick)
1	Complete <i>Service Provider for the Telecommunication Industry (SeTi) Licence Application Submission Checklist</i>		
2	Licence Application Fee Payment Method	a. Direct deposit into AITI's bank account b. Transfer into AITI's bank account.	
3	<b>Business Registration Information</b>		
	Corporate Entities (Sendirian Berhad, Berhad, Private Limited or Limited)	i. Signed clear copy of Identity Cards for all Directors ii. Copy of <i>Form X</i> iii. Copy of <i>Certificate of Incorporation</i> iv. Copy of <i>Memorandum and Articles of Association</i> v. Copy of Audited/Management Accounts for the past three (3) years vi. Copy of recent <i>Annual Return</i> filed at <i>Companies Registry</i>	
4	Licence Categories Applied For	Please identify the appropriate licence category:  <input type="checkbox"/> Public Mobile Telecommunication Service <input type="checkbox"/> Public Non-Fixed Telecommunication Service <input type="checkbox"/> Resale of Telecommunication Service <input type="checkbox"/> Internet Access Service <input type="checkbox"/> Bandwidth Exchange Service <input type="checkbox"/> Private Network Service <input type="checkbox"/> Public Payphone Service <input type="checkbox"/> Prepaid Telecommunication Service <input type="checkbox"/> Value-Added Service  <b>Note:</b> For more information on the licence category, you may refer to Section 4 of <i>Guidelines for Application of Service Provider for the Telecommunication Industry (SETI) Licence</i> .	

<b>5</b>	Complete Required Information <b>(In reporting format)</b> – Refer to <b>“Appendix A (II): Information Requirements for an SeTi Licence Application”</b> for further details		
	1	Vision	
	2	Organisational Structure	
	3	Financial Capability and Strength	
	4	Description of Operations and Services	
	5	Description of Mechanism for Subscriber to Access Services	
	6	System Configuration Information	
	7	Partners in Providing Services	
	8	Capability Description	
	9	Quality of Service	
	10	Customer Support	
	11	Resource Limitation and Physical Constraint	
	12	Other Information	
<b>6</b>	Complete tariffs (price and non-price) filing information for each of the service the applicant intends to offer. Information to be included in the tariff filing:		
	a.	Fully and clearly describe the service	
	b.	Contain a clear statement of the prices, terms and conditions (including any eligibility requirements)	
	c.	List any discounts or special considerations that the applicant will offer and the requirements that must be satisfied (such as minimum volume or term requirements) to obtain those discounts	
	d.	List the minimum period of time during which the service will be available and the minimum period of time, if any, during which the applicant will not increase the filed rates	
	e.	Any other information	
<b>7</b>	<b>Any Joint Venture, Contract or Arrangement with a Third Party</b>		
	a.	Partnership Agreement	
	b.	Access and Interconnection Agreement	
<b>8</b>	Network or Service Architecture Diagram(s)		
<b>9</b>	One (1) hardcopy of the Licence Application		
<b>10</b>	One (1) softcopy of the licence application documentation in non-editable format submitted via email and/or thumb drive only.		

### APPLICANT'S INFORMATION

<b>Applicant (Company Name)</b>			
<b>Name of Authorised Representative of Applicant</b>			
<b>Contact Information</b>	<b>Office</b>		<b>Mobile Phone</b>
	<b>Email</b>		

**DECLARATION: We declare that the information submitted for this licence application is true, accurate and complete.**

Name and signature of Authorised Representative of Applicant, and Company Stamp	
Submission Date	

#### FOR AITI OFFICE ONLY

Application Reference

L U / SeTi-App / ☐ New / ☐ Renew -

Received by / Date / Time

## **Information Requirements for a SeTi Licence Application**

### **1. ORGANISATIONAL STRUCTURE**

- 1.1. The contact information (contact person, address, telephone, fax, email) for the applicant shall be stated.
- 1.2. The applicant shall describe its nature (private or public entity, and if listed, details of public listing), its corporate shareholding structure, composition of the board of directors and the management team. The ultimate ownership, whether direct or indirect, is to be indicated. Related companies (subsidiary, sibling, parents, associated companies, joint ventures, etc.) of the applicants are to be described.
- 1.3. Where the shareholders are foreign parties, details of the corporate structure of the shareholders are to be provided, together with details on voting rights and control possessed by the foreign parties.
- 1.4. Where the applicant will be engaging principal external consultants, the particulars of such consultants and the scope of their consultancy and services shall be provided.
- 1.5. Supporting documentation such as company incorporation information, memorandum and articles of association, latest annual reports are to be submitted as documentary evidence.
- 1.6. Where there are any relevant trust arrangements, all such arrangements shall be disclosed. If there are no such trust arrangements, a declaration should be made stating that such trust arrangements do not exist.

### **2. FINANCIAL CAPABILITY AND STRENGTH**

- 2.1. The applicant shall submit information and documentary evidence regarding:
  - 2.1.1. Authorised, issued and paid-up capital;
  - 2.1.2. Audited accounts (including profit and loss accounts, balance sheets, cash flow statements and auditor's reports) for the past three years;
  - 2.1.3. Budgeted projections (including profit and loss accounts, balance sheets and cash flow statements) for the next three years;
  - 2.1.4. Documentary evidence on source of funding.

**3. DESCRIPTION OF OPERATIONS AND SERVICES**

3.1. The applicant shall describe detailed operations and services offered, with diagram.

**4. DESCRIPTION OF MECHANISM FOR SUBSCRIBER TO ACCESS SERVICES**

4.1. The applicant shall describe the mechanisms on how the subscribers will be accessing its services, with a clear statement and explanations, diagrams if required.

**5. SYSTEM CONFIGURATION INFORMATION**

5.1. The applicant shall describe on the connection with other InTi and SeTi licensees.

**6. PARTNERS IN PROVIDING SERVICES**

6.1. The applicant shall provide the list of partners involved and their roles in providing the services.

**7. CAPABILITY DESCRIPTION**

7.1. The applicant shall describe the capability of the applicant's technical team, including their expertise and past experience and track records.

**8. QUALITY OF SERVICE**

8.1. The applicant shall state the quality of service that it intends to deliver through its services.

**9. CUSTOMER SUPPORT**

9.1. The applicant shall describe the customer support that it will be providing in relation to its services.

**10. RESOURCE LIMITATION AND PHYSICAL CONSTRAINTS**

10.1. The applicant shall state any resource limitation or physical constraints that it may face in deploying its services.

**11. OTHER INFORMATION**

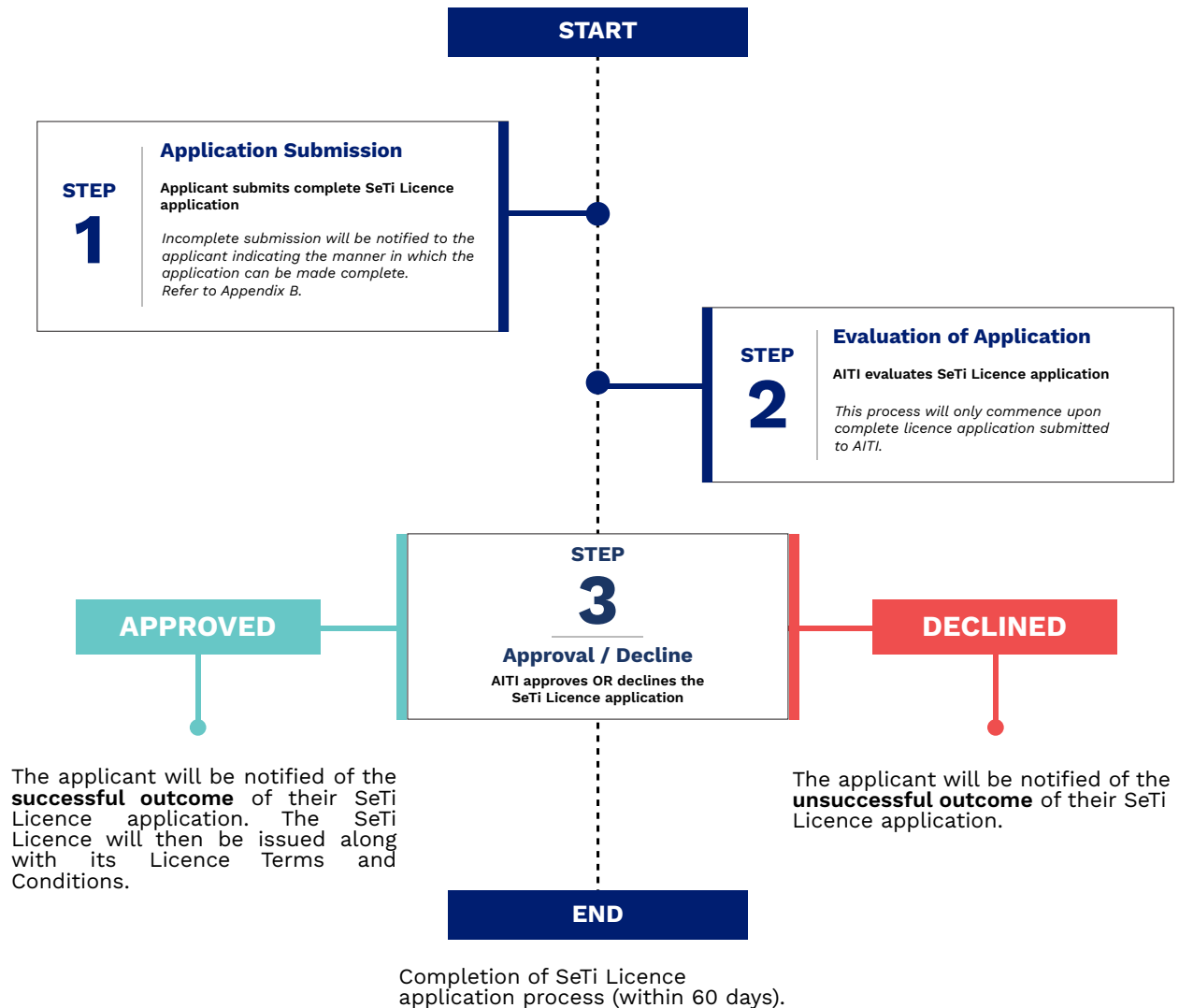
- 11.1. The applicant may submit any other relevant information that should be taken into consideration in relation to the licence application.
- 11.2. Where an applicant is applying to provide the Internet Access Service (where the public can gain access to the Internet) or Value-Added Service (where the provider offers content accessible through telecommunication services), additional authorisations from regulators may be required and they are to be included in the application submitted.

**12. DECLARATION**

- 12.1. The applicant shall make a declaration as to the truth, accuracy and completeness of the information submitted.

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**SERVICE PROVIDER FOR THE TELECOMMUNICATIONS INDUSTRY  
(SeTi) LICENCE**

**GRANTED BY**

**THE AUTHORITY FOR INFO-COMMUNICATIONS TECHNOLOGY  
INDUSTRY OF BRUNEI DARUSSALAM (AITI)**

**UNDER SECTION 5 OF THE  
TELECOMMUNICATIONS ORDER, 2001**

The Authority for Info-communications Technology Industry of Brunei Darussalam (hereinafter referred to as "AITI"), in exercise of the powers conferred on it under Section 5 of the Telecommunications Order 2001 (hereinafter referred to as the "Order"), hereby grants to [ **Licensee** ] (hereinafter referred to as the "Licensee") a licence to establish, install and maintain the telecommunications systems (hereinafter referred to as the "Systems") and services (hereinafter referred to as the "Services") as specified in **Schedule A**.

This is subject to the general terms and conditions set out in **Schedule B**, and the specific terms and conditions set out in **Schedule C**.

**Effective from 1 June 2025**

**by**

**Haji Jailani bin Haji Buntar**

**CHIEF EXECUTIVE  
AUTHORITY FOR INFO-COMMUNICATIONS TECHNOLOGY INDUSTRY  
OF BRUNEI DARUSSALAM**

## SCHEDULE A

### PART I

#### Description of Telecommunications Systems and Services to be provided by Licensee

1. ***Licence*** (hereinafter referred to as “*Licence*”)

Application Date : [ Application Date ]  
Licence Effective Date : [ Effective Date ]  
Licence Expiry Date : [ Expiry Date ]  
Licence Class : [ Licence Class 1 ]

2. ***Systems and Services***

The Licensee is granted a licence to provide the following:

<b><i>Licence Class</i></b>	<b><i>Licensed Activity</i></b>
[ Licence Class 1 ]	[ Activity 1 ]
	[ Activity 2 ]

3. ***Network Diagram***

Please refer to **Schedule E**.

4. ***Collection of Deposits***

The Licensee shall be permitted to collect money deposits or issue prepaid cards for the collection of payment from its customers for the provision of the Services.

### PART II

#### Description of Prohibited Infrastructure and Services for Licensee

1. ***Prohibited Infrastructure***

Nil.

2. ***Prohibited Services***

Nil.

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**SCHEDULE B: TERMS AND CONDITIONS OF THE  
SERVICE PROVIDER FOR THE TELECOMMUNICATIONS INDUSTRY (SeTi) LICENCE**

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**1 THE LICENCE**

**1.1 Period**

1.1.1 The Licence comes into force on [ **Effective Date** ] and shall be valid until the date of expiration of this Licence, unless suspended, cancelled or otherwise in accordance with Clause 2.4, or terminated by the Licensee in accordance with Clause 2.5 of this Licence.

1.1.2 The Licence may be further renewed for such period as AITI thinks fit and subject to such terms and conditions as may be specified by AITI under Section 5 of the Order.

**1.2 Fees**

1.2.1 The Licensee shall pay to AITI an annual licence fee of 3.25% or such other percentage as may be determined and notified by AITI, of the audited annual gross turnover ("AGTO") based on the provision of the Services, subject to a minimum of B\$5,000.00 per year. The AGTO shall be computed based on the turnover of the Licensee for all businesses, operations and other activities related to the provision of the licensed or licensable Services, irrespective of and not discounting any revenue sharing, joint venture or other arrangements that the Licensee may have with other third parties or related companies.

1.2.2 The annual licence fee shall be payable to AITI in advance and shall be calculated based on the AGTO of licensed and licensable activities of the last audited financial accounts<sup>1</sup>.

1.2.3 The financial accounts used for the above calculations shall be audited on at least an annual basis and a copy thereof shall be provided to AITI at the time the annual licence fee is payable. Where the audited financial accounts show an under reporting of AGTO to that used at the time a prior annual licence fee was payable, then an additional balancing fee amount shall be payable by the licensee so as to make up such shortfall. This balancing fee amount shall be payable in conjunction with the annual licence fee at the first time the audited financial accounts reveal it.

1.2.4 All fees collected by AITI shall be forfeited if the licence is cancelled or suspended during the term of the licence, or if the Licensee withdraws its acceptance of the Licence after approval for the Licence has been granted by AITI.

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<sup>1</sup> Subject to the requirements of the Companies Act, as amended.

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1.2.5 Any late payment of licence fees or any default in considerations payable to AITI may result in a suspension or cancellation of this Licence or any part thereof in accordance with Clause 2.4.

1.2.6 Notwithstanding Clause 1.2.5, the Licensee shall continue to be subject to its obligations under the Licence and shall not be released from such obligations by reason of any late payment of licence fees or any default in considerations payable to AITI.

**1.3 Non-Transferable**

1.3.1 The Licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges under this Licence to any person or persons except with the prior written approval of AITI.

1.3.2 Any such approval shall be given subject to terms and conditions, which AITI at its sole discretion may impose.

**1.4 Variation**

1.4.1 AITI may vary or amend any of the terms of this Licence pursuant to Section 7 of the Order.

**1.5 Warranty**

1.5.1 The Licensee acknowledges that this Licence was granted on the basis of the application submitted by the Licensee. The Licensee hereby represents and warrants that it has complied with the rules and procedures that have been stipulated by AITI in relation to the application for this Licence, that the Licensee has not been involved in any act or omission of any act constituting a breach of the rules and procedures stipulated by AITI, and that the Licensee has met and satisfied all requirements that AITI has stated as a prerequisite to the Licence application. The Licensee further warrants that all the information submitted in the application for the Licence are true, accurate and complete.

1.5.2 The Licensee acknowledges and agrees that in the event that AITI determines that the Licensee has breached any of the rules and procedures in relation to the application to this Licence, AITI shall be entitled to cancel or suspend this Licence or any part thereof in accordance with Clause 2.4 of this Licence.

**1.6 Structure**

1.6.1 The Licensee shall be a corporate entity incorporated in Brunei Darussalam or a Brunei Darussalam government department. Where the Licensee is a joint

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venture vehicle between a local and a foreign party, or where one or more foreign parties control or hold any shares conferring voting rights (whether directly or indirectly) in the Licensee, then the foreign party must not have majority vote or control of the Licensee. A foreign party is deemed to have a majority vote or have control of a Licensee if:

- (a) the foreign party has the power or right (whether directly or indirectly through one or more other persons or entities, and whether alone or together with one or more other foreign parties) to appoint or remove the majority of the directors of the Licensee or otherwise controls or has the power or right to determine the composition of the board of directors of the Licensee; “control” in this context refers to the ability or power to exercise a significant influence over the composition of the board of directors of the Licensee;
- (b) the foreign party possesses, controls or has the right to exercise (whether directly or indirectly through one or more other persons or entities and whether alone or together with one or more other foreign parties) more than half of the voting power at a general meeting or board meeting of the Licensee; “control” in this context refers to the ability or power to exercise a significant influence over the voting at a general meeting or board meeting of the Licensee; or
- (c) if the foreign party holds or owns or has an interest in (whether directly or indirectly through one or more other persons or entities and whether alone or together with one or more other foreign parties) more than half of the issued share capital of the Licensee (including preference and other shares as long as such shares confer voting rights); “interest” in this context includes any beneficial or equitable interest or ownership, or interest conferred as a result of any instrument of trust.

1.6.2 A “foreign party” includes:

- (a) in the case of an individual, anyone who is not a Brunei Darussalam citizen; and
- (b) in the case of a company, partnership, unincorporated body or association, body corporate or other entity, any such company, partnership, unincorporated body or association, body corporate or other entity (whether established or incorporated in or outside Brunei Darussalam) which is ultimately owned (whether partially or wholly) or controlled, by one or more persons who are not Brunei Darussalam citizens or by one or more entities incorporated or established outside Brunei Darussalam. “Control” in this context refers to the ability or power to exercise a significant influence over management and decision-making.



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- 1.6.3 Where the Licensee changes its corporate structure in breach of this Clause 1.6, it shall be deemed a breach of the Licence.

**2 DIRECTIONS AND ENFORCEMENT**

**2.1 Direction by AITI**

- 2.1.1 The Licensee shall strictly and without any undue delay comply with any directions, which AITI may from time to time issue in the exercise of its powers, functions or duties under Section 27 of the Order, in this Licence, or under any other applicable written law in force in Brunei Darussalam.
- 2.1.2 AITI may, by notice in writing to the Licensee amend, vary or revoke wholly or in part any directions given by it pursuant to Clause 2.1.1, and the Licensee shall, at its own expense, comply with such amended, varied or revoked direction accordingly.
- 2.1.3 Unless otherwise expressly specified, the Licensee shall safeguard the secrecy of all directions given by AITI. The Licensee shall not during the currency and after the expiry, termination or cancellation of the Licence disclose or permit the disclosure of any of the said directions to any person not authorised to receive the same without the prior written consent of the Chief Executive of AITI. The Licensee shall further take all reasonable precautions in dealing with the said directions so as to prevent any unauthorised persons from having access to the same.
- 2.1.4 AITI or officers authorised by AITI shall have the right of access at all times to all of the Licensee's premises to conduct inspection of all facilities, equipment and plants.

**2.2 Dispute Resolution**

- 2.2.1 Subject to Clause 2.2.3, in the event that the Licensee fails to reach an agreement with other telecommunication licensees on matters relating to the requirements of the Order, this Licence, codes of practice, directions or advisory guidelines that may be issued from time to time by AITI under Sections 26, 27 or 28 of the Order, the dispute shall be referred to and determined by AITI whose decision shall be binding on all parties concerned. AITI shall have the discretion to make its decision on the basis of national or public interest, and not on a commercial basis.
- 2.2.2 AITI reserves the right to levy a fee for work undertaken in this respect.

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- 2.2.3 If the Licensee is aggrieved by any decision or direction of AITI under this Clause 2.2, the Licensee may appeal to the Minister in accordance with Sections 27(4) and 72 of the Order.

**2.3 Codes of Practice and Advisory Guidelines**

- 2.3.1 The Licensee shall comply with all applicable codes of practice, and any additional or supplemental guidelines that AITI may issue from time to time, in accordance with Sections 26 and 28 of the Order.

**2.4 Penalty for Breach**

- 2.4.1 AITI may, in any of the events specified under Section 8 of the Order, by notice in writing given to the Licensee, suspend or cancel the Licence in whole or in part, reduce the period for which the Licence is valid, or impose a financial penalty of such amounts as to be determined by AITI.

- 2.4.2 The events specified under Section 8 of the Order include the following:

2.4.2.1 Where the Licensee breaches any terms and conditions any of its licences;

2.4.2.2 Where the Licensee has contravened any provision of any code of practice or standard of performance; or

2.4.2.3 Where the Licensee has contravened any direction given by AITI under Section 27 of the Order.

- 2.4.3 AITI reserves the right to publish at any time information concerning any enforcement actions taken against and/or penalties imposed on the Licensee.

**2.5 Termination**

- 2.5.1 In the event that the Licensee desires to terminate the Licence or any of the Services it provides, the Licensee shall seek AITI's written approval at least six (6) months in advance. If the Licensee intends to terminate all the Services it provides under the Licence, the Licensee shall be deemed as intending to terminate the Licence.

- 2.5.2 No termination shall take effect until AITI's written approval is obtained under Clause 2.5.1.

- 2.5.3 In the event of a termination, AITI reserves the right to issue directions to the Licensee regarding the takeover of the Systems and Services of the Licensee, and

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for action to be taken to migrate the customers of the Licensee to another licensee.

**2.6 Rights upon Termination, Suspension or Cancellation**

- 2.6.1 Any termination, suspension or cancellation of the Licence shall be without prejudice to the rights and remedies which may accrue to the Licensee or AITI under the Licence or any written law in force in Brunei Darussalam as at the date of termination except that the Licensee shall not have the right to seek a refund of the licence fee or any other fee paid in advance, whether in whole or in part.

**2.7 Exceptions and Limitations**

- 2.7.1 The Licensee shall not be held to have failed to comply with its obligations in this Licence if and to the extent that AITI is satisfied that it is prevented from complying with those obligations for the following reasons:

- (a) Malfunction or failure of any equipment where AITI determines that reasonable measures were taken beforehand to prevent such malfunction or failure; or
- (b) the act or omission of any national authority, local authority or international organisation; or
- (c) any other factor, which, in the opinion of AITI is beyond the Licensee's reasonable control and which notwithstanding the exercise by it of reasonable diligence and foresight, the Licensee was unable to prevent or overcome,

provided that the Licensee shall use all reasonable endeavours to resolve with all reasonable speed any factor preventing the compliance with its obligations and the Licensee shall immediately resume the performance of its obligations as soon as the factor which prevented such compliance is resolved.

- 2.7.2 Where the Licensee is a designated public telecommunication licensee under the Order, the exclusion of liability set out in Section 73 of the Order shall also apply.

**2.8 International Obligations**

- 2.8.1 The Licensee shall exercise its rights and powers and perform its duties and obligations under this Licence in a manner that is consistent with the Government of Brunei Darussalam's obligations under any Convention, Agreement, Arrangement or Treaty to which Brunei Darussalam is or shall become a party to.

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- 2.8.2 AITI shall notify the Licensee from time to time of any such Convention, Agreement, Arrangement or Treaty to which Clause 2.8.1 applies for its compliance.

**3 ROLLOUT**

**3.1 Description**

- 3.1.1 The Licensee shall establish, install and maintain in proper working order and in accordance with international standards as may be specified by AITI from time to time. The Licensee shall not make changes to the existing Systems and Services or operate or provide any new systems or services not described in **Part I of Schedule A** except with the prior written approval of AITI.
- 3.1.2 Where the Licensee wishes to introduce a new system and/or service or make changes to any existing system and/or service, the Licensee shall consult and provide AITI with such technical and/or non-technical information in writing within such period as may be specified by AITI after the consultation process. Any approval given by AITI under this Clause shall be subject to such terms and conditions that AITI may, in its sole discretion, impose.
- 3.1.3 Notwithstanding Clause 3.1.1, the Licensee shall not establish, install or provide any Systems or Services that are described in **Part II of Schedule A**, or as stipulated in any applicable code of practice, direction or advisory guidelines that AITI may issue from time to time under Sections 26, 27 or 28 of the Order. The provision of any such prohibited systems or services by the Licensee, or the contravention of any applicable code of practice, direction or advisory guideline stipulating such prohibition, shall constitute a breach of this Licence that may subject the Licensee to enforcement actions being taken by AITI against the Licensee. AITI shall have the discretion to amend **Part II of Schedule A** from time to time in consultation with the Licensee.

**3.2 Commitment**

- 3.2.1 Without prejudice to any of the Licensee's obligations under this Licence, the Licensee shall abide in consultation with AITI with its proposals on network rollout, range of services, quality of service standards, pricing and service provisioning schemes and any other commitments as submitted to AITI in its licence application.

**3.3 Equipment Approval**

- 3.3.1 Prior to the operation of the Systems, the Licensee shall in accordance with Section 9 of the Order, submit for AITI's written approval all telecommunication

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infrastructure, technology and any telecommunication equipment which is part of the Systems or which is to be connected to the Infrastructure.

- 3.3.2 The Licensee shall seek AITI's prior written approval from time to time for any other telecommunication equipment (including any new technology or change in any technology deployed) to be used in the operation of the Systems or which is to be connected to the System for which the approval has not been granted under Section 9 of the Order, whether such other equipment is in addition to or intended to replace the existing equipment or parts thereof.
- 3.3.3 The Licensee shall not undertake or participate in the business of production or provision of any telecommunications equipment without the prior written approval of AITI.
- 3.3.4 Where the Licensee is called upon to carry out any tests or assessment of any telecommunications equipment for or by any person, such tests shall be carried out only with the prior written consent of AITI and without prejudice to the provisions of Clause 7 of this Licence.
- 3.3.5 The Licensee shall take all reasonable steps to ensure that no information with respect to such telecommunications equipment that has been obtained in the course of or for the purpose of any such test or assessment, shall be disclosed to any person including the Licensee's employees, except:
- (a) With the consent of AITI or the producer or supplier of that equipment;  
or
  - (b) To the extent necessary to enable the Licensee to carry out any such test or assessment and report on it to the person for whom it was carried out.
- 3.3.6 No person engaged in any such test or assessment shall (except to the extent agreed by AITI) be answerable, in any way, which requires the disclosure of the information referred to in Clause 3.3.5, to anyone engaged in the activities of providing telecommunication services or supply of telecommunication equipment.

**3.4 Telecommunication Links Outside Premises**

- 3.4.1 The Licensee shall not establish or provide any telecommunication links outside of the Licensee's premises, whether by wire, cable, radio, fibre optics or otherwise, connecting the System to any other telecommunication system or equipment without the prior written approval of AITI. For the avoidance of doubt, this Clause 3.4.1 shall not apply to any internal telecommunication links within the Licensee's premises, and shall not apply to a Licensee who concurrently is an Infrastructure Provider for the Telecommunications Industry ("InTi") Licensee.

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- 3.4.2 The Licensee shall only obtain such telecommunication links outside of the Licensee's premises from an InTi Licensee or another SeTi Licensee authorised to resell telecommunication services.

**3.5 Universal Service Fund**

- 3.5.1 The Licensee shall contribute towards the Universal Service Provision Fund as provided for under Section 60 of the Order in a manner as directed by AITI.

**4 RESOURCE**

**4.1 Public Emergency Call Services**

- 4.1.1 The Licensee shall ensure that:

- (a) any person through customer premises equipment; and
- (b) any person through its public payphones, if any,

may at any time and without charge, contact as swiftly as reasonably practicable the relevant police service (namely 993 or its substitute number), fire service (995 or its substitute number), ambulance services (991 or its substitute number), search and rescue services (998 or its substitute number) and any other national emergency services which the Minister may from time to time designate, for the purpose of notifying them of any emergency.

**4.2 Public Maritime Emergency Services**

- 4.2.1 The Licensee shall ensure that it is possible for any person to contact at any time and without charge, distress, urgency and safety services for shipping for the purpose of notifying them of an emergency and shall provide the necessary facilities for distress, urgency and safety services in accordance with the Radio Regulations of the International Telecommunication Union.

**4.3 Frequency Spectrum**

- 4.3.1 The Licensee shall use any frequency spectrum for the operation of the Systems and provision of Services only in accordance with terms and conditions of this Licence.
- 4.3.2 The Licensee shall take all necessary steps to ensure that the use of its Systems is safe and does not cause interference to other existing radio-communication networks operating in the same band or in other bands.

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4.3.3 All telecommunication equipment used by the Licensee shall be type approved to conform to the radio and telecommunication equipment standards that may be specified by AITI from time to time.

4.3.4 The Licensee shall co-operate with AITI for the purposes of assisting AITI in coordinating and managing the use of radio frequencies in relation to neighbouring countries, including but not limited to, the provision of information to AITI and the reduction of emission levels of any radio-communication station and network comprised in the System.

**4.4 Numbering**

4.4.1 The Licensee shall comply with AITI's codes of practice, directions and advisory guidelines that may be issued from time to time under Sections 26, 27 or 28 of the Order in relation to Brunei's national numbering plan, and number allocation and assignment schemes. The Licensee shall, in its submission to AITI, justify the use of numbers and shall, subject to payment of the required fees for Golden Numbers, be provided with the necessary numbers to enable the effective and efficient operation of the Infrastructure. The Licensee shall take all necessary steps to ensure that the numbers allocated are efficiently utilised.

4.4.2 Any telephone number(s) assigned to the Licensee is the property of AITI and the Licensee shall have no proprietary right to the telephone number(s) assigned.

4.4.3 AITI reserves the right to alter, reallocate and/or reassign any telephone number previously allocated or assigned to the Licensee at any time, upon written notice to the Licensee. In such instances, AITI shall not be liable to any person for any loss or inconvenience directly or indirectly attributable to the alteration, reallocation and/or reassignment of such telephone number.

**4.5 Number Portability**

4.5.1 The Licensee shall implement number portability at a time to be decided and approved by AITI.

4.5.2 The Licensee shall comply, at its own cost, with AITI's codes of practice, directions and advisory guidelines that may be issued from time to time under Sections 26, 27 or 28 of the Order in relation to the implementation of number portability.

**5 COOPERATION**

**5.1 Civil and Public Bodies**

5.1.1 The Licensee shall co-operate with the relevant Government ministries, departments, statutory boards or official agencies (the "Emergency

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Organisations”) in all ways possible for the provision of national security and emergency services.

- 5.1.2 The Licensee shall, where directed by AITI, participate in any emergency activities or preparations thereof in collaboration with the relevant Emergency Organisations, in accordance with the written law in Brunei Darussalam.
- 5.1.3 The Licensee shall, after consultation with the relevant Emergency Organisations, make plans and other arrangements for the provision or, as the case may be, the rapid restoration of Services as are practicable and may be reasonably required in national emergencies. The Licensee shall, on the request by any such person as is designated for the purpose in the relevant plans or arrangements, implement those plans or arrangements in so far as it is reasonable and practicable to do so.
- 5.1.4 Nothing in this Clause shall preclude the Licensee from:
- (a) Recovering the costs which it incurs in making or implementing any such plans or arrangements from those on behalf of or in consultation with whom the plans or arrangements are made; or
  - (b) Making the implementation of any plan or arrangement conditional upon the person or persons for which or on whose behalf that plan or arrangement is to be implemented indemnifying the Licensee for all costs incurred as a consequence of the implementation.
- 5.1.5 Nothing in this Clause shall restrain the person or persons referred to in Clause 5.1.4 (a) or (b) from the right to obtain the services referred to in this Clause on a competitive basis.
- 5.1.6 Without prejudice to any other obligation under this Licence, the Licensee shall, when notified of any fault or failure of a System which causes any interruption, suspension or restriction of the Telecommunications Services, provide to the relevant Emergency Organisations priority fault repair service with a view to restoring those Services as swiftly as practicable and with priority, as far as reasonably practicable, over fault repair services provided by the Licensee to other persons. Such priority fault repair services shall mean a service consisting in such repair, maintenance or adjustment of the System as is necessary to restore and maintain a sufficient service, and shall be available for 24 hours a day or for such lesser periods of each day as may be agreed between the Licensee and the person requiring its provision.



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**5.2 Directory**

- 5.2.1 The Licensee shall provide on request to any person to whom it provides telecommunication services, directory information services based on an integrated and up-to-date customer database at a charge to be approved by AITI.
- 5.2.2 AITI reserves the right to direct the Licensee to provide directory information services for subscribers of other licensees.
- 5.2.3 The Licensee shall provide integrated directories for all subscribers at no charge or as may be determined by AITI, and at annual intervals or any other intervals and for the geographical coverage to be agreed with AITI.
- 5.2.4 If the Licensee decides to publish the directory other than as printed matter, then it shall provide such reasonable access to it as shall be determined by AITI. Notwithstanding the obligations contained in this Clause 5.2, the Licensee shall not provide directory information or include in any integrated directories information concerning a subscriber who has requested the Licensee not to provide such information concerning the subscriber, or a subscriber of mobile telecommunication services, save where the request is made pursuant to a lawful law enforcement investigation or an order of Court.
- 5.2.5 Where the Licensee provides telecommunication services to an Authorised Overseas System, if a directory information service is provided by the Authorised Overseas System, the Licensee shall provide to any person to whom it provides telecommunication services information as to how that person may have access to the directory information service provided by the Authorised Overseas System and the Licensee shall take all reasonable steps to ensure that such information is readily available to that person.
- 5.2.6 An “Authorised Overseas System” means a system, which is recognised by the Government or any competent authority of a foreign country as authorised to provide telecommunication services by or through that system.
- 5.2.7 The Licensee shall, if necessary, and subject to charges, terms and conditions to be agreed with other licensees, provide integrated directories for their subscribers. In the event that agreement cannot be reached, the matter shall be determined by AITI, whose decision is final.
- 5.2.8 The Licensee shall exchange all relevant customer data with other licensees free-of-charge for the purpose of providing integrated directories and providing integrated directory enquiry services.

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**5.3 Access**

- 5.3.1 Subject to prior discussions and negotiations between the third party and the Licensee, the Licensee shall provide to any person licensed by AITI to provide telecommunication services in Brunei Darussalam, means of access to the System.
- 5.3.2 The Licensee may, with the prior written approval of AITI, impose an access charge upon any person licensed by AITI to provide telecommunication services in Brunei Darussalam in connection with the use of the System.
- 5.3.3 The Licensee shall comply with AITI's codes of practice, directions or advisory guidelines that may be issued from time to time under Sections 26, 27 or 28 of the Order in relation to access and interconnection and shall submit to AITI on a quarterly basis all access agreements entered into with other licensees.

**5.4 Interconnection**

- 5.4.1 The Licensee shall connect to the Systems on request and at appropriate connection points, which it shall provide for this purpose:
- (a) any equipment approved or exempted from approval by AITI for connection to the Systems; and
  - (b) any public or private telecommunication systems approved or licensed by AITI which systems also meet any other requirements, AITI may from time to time impose.
- 5.4.2 Notwithstanding Clause 5.4.1, the Licensee shall cease to connect or refuse to connect to the System any equipment or system that:
- (a) has not been approved, licensed or exempted from approval or licensing by AITI;
  - (b) no longer meets the requirements for approval or licensing by AITI, in respect of which AITI has issued a notice to that effect to the person who has under his control such equipment or system; or
  - (c) in the opinion of AITI is liable to cause the death of, or personal injury to, any person engaged in running the System or any connected equipment or system, or materially impair the quality of any Service provided by means of any licensed system, or damage the property of the Licensee.

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- 5.4.3 The terms and conditions for the connection of equipment or systems to the Systems of the Licensee shall be determined by agreement between the Licensee and the owner or operator of the equipment or system except in so far as the conditions are prescribed in the Order or in this Licence. In the event that the parties cannot reach an agreement, the matter shall be determined by AITI whose decision shall be final. Such agreement shall not contain any restrictive provision unless before the agreement is made, AITI has expressly consented to the inclusion of such a provision.
- 5.4.4 The Licensee shall permit any person who is licensed to operate a system that is connected to the System under a licence that authorises him to provide telecommunication services to others, to provide such services while the systems are connected.
- 5.4.5 The Licensee shall not impose technical or other conditions or employ any arrangements for the connection of equipment or systems to the Systems other than those set by AITI. In particular, the Licensee shall not, except where AITI is satisfied that it is reasonable, exercise any Intellectual Property Rights that it owns or is licensed to use in a manner that prevents or inhibits the connection of approved equipment or systems to the Systems. In this Clause, "Intellectual Property Rights" means, without prejudice to its generality, the rights to patents, trademarks, designs, know-how and copyright.
- 5.4.6 The Licensee shall comply with AITI's codes of practice, directions or advisory guidelines that may be issued from time to time under Sections 26, 27 or 28 of the Order in relation to access and interconnection and shall submit to AITI on a quarterly basis all interconnection agreements entered into with other licensees.

**5.5 Changes**

- 5.5.1 The Licensee shall give notice in writing to AITI 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 or systems connected to the Systems or which would have the effect of making such connections inoperable. The period of notice given shall be appropriate to the likely impact on the parties affected and on connected equipment or systems and shall be decided in consultation with AITI.
- 5.5.2 Where AITI considers that a change in the Systems referred to in Clause 5.5.1 would cause another person licensed to provide telecommunication services in Brunei Darussalam to make major changes in its own systems in order to connect its systems to the Systems, and notifies the Licensee thereof, the Licensee shall obtain the prior written approval of AITI before implementing such a change, and

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shall comply with such terms and conditions as AITI may, in its sole discretion, impose.

5.5.3 Any changes proposed by the Licensee must not be a Predatory Network Alteration as provided for in Clause 7.8 below.

5.5.4 The Licensee shall prepare and publish in consultation with AITI a statement of its procedures for consulting, and giving advance notice to, those persons likely to be affected by such changes and shall adhere to those procedures specified in the statement.

## **6 ACCOUNTABILITY**

### **6.1 Price Controls**

6.1.1 The Licensee shall seek AITI's written approval on its prices, terms and conditions at least ten (10) working days prior to offering, or modifying the prices, terms and conditions on which it offers any services (including any offer on a trial basis).

6.1.2 The Licensee shall comply with AITI's codes of practice, directions or advisory guidelines that may be issued from time to time under Sections 26, 27 or 28 of the Order in relation to price control arrangements.

### **6.2 Publication**

6.2.1 The Licensee shall publish information about the Services it provides, covering *inter alia*, descriptions and pricing of the Services available, the terms and conditions thereof, and the provision of fault repair and any other commercial and technical services available.

### **6.3 Confidentiality**

6.3.1 The Licensee shall respect and ensure the confidentiality of subscriber information, especially for ex-directory numbers except under the following circumstances:

- (a) Where sharing of information with another licensee is necessary to detect, prevent or investigate into fraud;
- (b) Where disclosure is deemed necessary by AITI or the relevant law enforcement or security agencies to carry out their functions or duties; and
- (c) Where use of subscriber information is in accordance with the applicable codes of practice, directions and advisory guidelines that AITI may issue

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from time to time under Sections 26, 27 or 28 of the Order relating to the protection and confidentiality of subscriber information.

**6.4 Accounting Separation**

- 6.4.1 AITI reserves the right to require the Licensee to maintain separate financial data and accounts for the infrastructure and/or services, and the Licensee shall submit on request such data and accounts to AITI for inspection.
- 6.4.2 The Licensee shall comply with AITI's codes of practice, directions and advisory guidelines that may be issued from time to time under Sections 26, 27 or 28 of the Order in relation to accounting separation.

**6.5 Provision of Information to AITI**

- 6.5.1 The Licensee shall provide AITI with any documents or information within its knowledge, custody or control that AITI may, by notice or direction, require for the exercise of its functions and duties under the Order. This includes providing annual and such other reporting information as stipulated in **Schedule D**, which may be amended by AITI from time to time. The Licensee hereby undertakes to AITI that any such document or information provided to AITI shall be true, accurate and complete.
- 6.5.2 In order to monitor the Licensee's compliance with the conditions of this Licence, AITI may also direct the Licensee to arrange at the Licensee's own cost a separate and independent audit of its activities. The Licensee shall, at AITI's request, submit the audited accounts and reports prepared under this condition to AITI for its inspection and verification.
- 6.5.3 The Licensee shall notify AITI regarding any change in the ownership, shareholding and management arrangements of the Licensee (including but not limited to any change in the appointment of the Chairman, Chief Executive Officer, or Directors and other Management Officers) provided to AITI in its application for the Licence.
- 6.5.4 The Licensee shall notify AITI of any joint venture, association, contract or arrangement with a third party that the Licensee enters into within ten (10) working days after the entry into such joint venture, association, contract or arrangement, and furnish AITI with any supporting documents that AITI may request for.
- 6.5.5 The Licensee shall keep in strict confidence any documents or information so required by AITI pursuant to Clause 6.5 as well as the fact that AITI has requested such documents and/or information.

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- 6.5.6 AITI may use and disclose any such document or information provided to AITI pursuant to Clause 6.5 as AITI deems fit. Where AITI proposes to disclose information obtained pursuant to Clause 6.5 and AITI considers that the disclosure would result in the release of information concerning the business or commercial or financial affairs of the Licensee which disclosure would or could reasonably be expected to adversely affect the Licensee's lawful business or commercial or financial affairs, AITI will give the Licensee a reasonable opportunity to make representations on the proposed disclosure before AITI makes a final decision whether or not to disclose the information.

**6.6 Call Metering and Billing**

- 6.6.1 The Licensee shall take all reasonable steps to ensure the accuracy and reliability of any charging device used in connection with the Systems and Services, and shall keep such records as may be determined by AITI to be necessary in relation to any metering device, and for such periods as specified by AITI.
- 6.6.2 The Licensee shall take appropriate measures to issue bills with periodicity as determined by AITI in consultation with the Licensee to the subscribers of the Services indicating the charges relevant to the Services provided to the subscriber.
- 6.6.3 The Licensee shall specify the relevant charge or charges in any quotation or any invoice relating to the provision of its Services.

**6.7 Quality of Service**

- 6.7.1 The Licensee shall at all times during the validity period of this Licence operate, maintain and provide good, efficient and continuous Services in a manner satisfactory to AITI.
- 6.7.2 Unless a waiver is granted by AITI, the Licensee shall prepare a customer charter which sets out the minimum standard of services to the Licensee's customers and gives guidance to the employees of the Licensees in their relations and dealings with the Licensee's customers.
- 6.7.3 The Licensee shall comply with AITI's codes of practice, directions or advisory guidelines that may be issued from time to time under Sections 26, 27 or 28 of the Order in relation to Quality of Service Standards.

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**7 PRACTICES**

**7.1 Unfair Competitive Practices**

7.1.1 The Licensee must not engage in unfair competitive practices. An unfair competitive practice is deemed to be one that deters, or is likely to deter, new entry into the telecommunication market in Brunei Darussalam, or restricts, or is likely to restrict, existing competition in the telecommunication market in Brunei Darussalam for reasons unrelated to the availability, price or quality of the service that a prospective or current operator licensed by AITI offers or seeks to offer.

7.1.2 Unfair competitive practices include, but are not limited to, the following:

- (a) *False or Misleading Claims.* The Licensee must not make claims or suggestions regarding the availability, price or quality of its telecommunication service or equipment, or of the telecommunication service or equipment of another licensee, that is not supported by objective evidence, or that is likely to confuse or mislead customers.
- (b) *Degradation of Service Availability or Quality.* The Licensee must not take any action, or induce any other party to take any action, which would have the effect of degrading the availability or quality of another licensee's telecommunication service or equipment, or raising another licensee's costs, without a legitimate business, operational or technical justification.
- (c) *Provision of False or Misleading Information to Competitors.* Notwithstanding that the Licensee is not required to disclose proprietary or commercially sensitive information to their competitors, the Licensee shall not provide information to other licensees that is false or misleading.
- (d) *Interference with Customer or Supplier Relationships.* The Licensee must not seek to induce a customer or supplier to cease doing business with another licensee providing competing telecommunication services or equipment by providing false or misleading information to the customer or supplier.

**7.2 Undue Preference and Undue Discrimination**

7.2.1 The Licensee shall not show undue preference towards, or exercise undue discrimination against any person or class of persons in, *inter alia*, the price and performance characteristics of the Services provided or the terms and conditions under which the Services are provided. In particular, the Licensee shall not give any undue preference to, or receive an unfair advantage from, a business carried on by it or its associated or affiliated company, service or person, if AITI is of the opinion that the Licensee's competitor could be placed at a significant

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competitive disadvantage or that competition would be prevented or substantially restricted.

7.2.2 The Licensee shall not accept any undue preference in, *inter alia*, the price and performance characteristics of any services provided by another licensee that is its associated or affiliated company, service or person, if AITI is of the opinion that the Licensee's competitor could be placed at a significant competitive disadvantage or that competition would be prevented or substantially restricted.

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

**7.3 Anti-Competitive Arrangements**

7.3.1 The Licensee shall not enter into any agreement or arrangement, legally enforceable or not, which shall in any way prevent or restrict competition in relation to the operation of the Systems or provision of Services by the Licensee or any other telecommunication system and/or services licensed by AITI. Such agreements or arrangements include, but is not limited to, the following:

- (a) Agreements or arrangements with other licensees to fix prices or restrict output, regardless of the levels that may be agreed to.
- (b) Agreements or arrangements with other licensees to coordinate separate bids for assets, resources or rights allocated by AITI, or for any input into the Licensee's service or for the provision by the Licensee of any telecommunication service or equipment, regardless of the price levels that may be agreed to.
- (c) Agreements or arrangements with other licensees not to compete to provide telecommunication services or equipment to specific groups of customers or not to compete in specific areas or geographical regions, regardless of the terms and conditions that may be agreed to.
- (d) Agreements or arrangements with other licensees to refuse to do business with a specific customer, supplier or competitor.

7.3.2 In determining whether an agreement or arrangement prevents or restricts competition, AITI will not deem as anti-competitive agreements that an ancillary



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to efficiency-enhancing integration of economic activities, where such agreements are no broader than necessary to achieve the pro-competitive benefit such as, but not limited to, increasing total output or lowering prices.

- 7.3.3 The Licensee shall comply with AITI's codes of practice, directions and advisory guidelines that may be issued from time to time under Sections 26, 27 or 28 of the Order in relation to unfair and anticompetitive practices for telecommunication service providers.
- 7.3.4 With effect from a date to be mandated by AITI the Licensee shall ensure that there are no cross-subsidies between such parts of the Licensee's business as AITI may identify and review from time to time in consultation with the Licensee.
- 7.3.5 With effect from a date to be mandated by AITI the Licensee shall establish such accounting and reporting arrangements so as to enable the Licensee's finances in relation to different parts of its business to be assessed and reported on separately.
- 7.3.6 The Licensee shall not make it a condition of providing any service, or connecting any other system or equipment to the service, that any person should acquire any equipment from the Licensee or from any other person specified or described by the Licensee, save where the telecommunication service requested cannot otherwise be provided or the equipment requested cannot otherwise be used.

**7.4 Exclusive Arrangements**

- 7.4.1 The Licensee shall not enter into any agreement or arrangement with any person running an Authorised Overseas System on terms or conditions which unfairly preclude or restrict, to the detriment of the national and/or public interest, the provision of any international telecommunication services by any person licensed by AITI to provide those services. The meaning of the term "Authorised Overseas System" shall be as defined in Clause 5.2.6.
- 7.4.2 The Licensee shall comply with AITI's requirements on the international settlement regime and seek AITI's written endorsement and/or approval to the arrangements reached with other licensees before implementation.

**7.5 Contracts with Third Parties**

- 7.5.1 Where the Licensee intends to enter into any joint venture, association, contract or arrangement with a third party, the effect or purported effect of which would be to permit a person who is not originally a party to this Licence to share in the benefits of, or otherwise gain any rights or privileges under this Licence, or which would otherwise result in a breach or circumvention of Clause 1.3.1, the Licensee shall seek AITI's written approval for the joint venture, association, contract or

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arrangement in question, and AITI's approval shall be subject to such terms and conditions as AITI may, in its sole discretion, impose.

7.5.2 AITI may at any time direct the Licensee to effect any changes it deems necessary in the terms and conditions of the joint venture, association, contract or arrangement referred to above.

7.5.3 If the Licensee fails to effect the necessary changes referred to in Clause 7.5.2, AITI may direct the Licensee to terminate any such joint venture, association, contract or arrangement and the Licensee shall comply with such direction within such time as may be specified by AITI. For the purposes of this Clause, every such joint venture, association, contract or arrangement must include a provision subjecting the joint venture, association, contract or arrangement (as the case may be) to such directions as AITI may issue from time to time.

7.5.4 Nothing in Clause 7.5.1 shall be construed as requiring the Licensee to obtain the written approval of AITI for the appointment of agents or for the employment of independent contractors or sub-contractors to carry out any works or provide any services which enable the Licensee to discharge its duties and obligations under this Licence provided that the Licensee shall be liable to AITI for any act, omission, default, neglect or otherwise of the agents, independent contractors or sub-contractors in carrying out any such works or providing any such services.

**7.6 Agreements that Restrict Competition**

7.6.1 AITI may take enforcement action, either on its own motion or pursuant to a third party complaint, against the Licensee if it enters into an agreement with another licensee or unlicensed entity that has the effect of restricting competition in the telecommunication market in Brunei Darussalam. AITI will assess an agreement on the basis of its likely competitive effects. If the agreement contravenes any of the provisions of this Licence, AITI may impose financial penalties or other enforcement measures as provided under the Order.

7.6.2 In determining the existence of an agreement, AITI will consider the following:

- (a) Direct evidence of an express agreement, e.g. a signed document;
- (b) Circumstantial evidence demonstrating the existence of an express agreement;
- (c) The agreement may be implied if the Licensee coordinates with other licensees their production and pricing decisions to reduce aggregate output and raise market prices. Such agreements will not be implied where the Licensee has done nothing more than make similar output and pricing decisions reflecting an efficient response to changing market

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conditions. AITI will only imply an agreement where the Licensee has employed “signalling devices” such as price and output information sharing and these devices have facilitated co-ordinated behaviour. For the purposes of this Clause, an arrangement between a Licensee and an affiliate under the Licensee’s control does not constitute an agreement. This section also does not restrict the ability of the Licensee from entering into an arrangement with another entity in which that other entity acts as a bona fide agent of the Licensee.

7.6.3 In the event that there is no evidence of actual market effects because the agreement is relatively recent, AITI will assess its likely effect on the market. In assessing its likely effect on the market, AITI will consider the following:

- (a) *Business Purpose of the Agreement.* AITI will assess the agreement’s likely competitive impact and attempt to determine whether the agreement is likely to lead to reductions in output and increase in the prices of telecommunication services. If the business purpose of the agreement appears to be to increase output and reduce prices, AITI will conclude, without further analysis, that the agreement is not anti-competitive.
- (b) *Likelihood of Competitive Harm.* Where the agreement has the potential to result in higher prices or reductions in output of telecommunication services or equipment, AITI will conduct a more detailed assessment. AITI will consider whether new entrants into the market would be likely, sufficient and timely enough to deter or counteract any competitive harm and any other factors that help predict the likely competitive effect of the agreement. If the agreement poses no risk of competitive harm, AITI will conclude that the agreement is not anti-competitive.
- (c) *Efficiencies.* If the agreement has the potential to result in a restriction of output or an increase in prices of telecommunication services and equipment, AITI will consider whether the agreement is necessary to achieve efficiencies such as the reductions in the cost of developing, producing, marketing and delivering telecommunication services and equipment. If such efficiencies offset the potential anti-competitive effect, and could not reasonably be achieved through measures that reduce competition to a lesser extent, AITI will conclude that the agreement is not anti-competitive. If such efficiencies do not offset the potential anti-competitive effects, or could reasonably be achieved through measures that reduce competition to a lesser extent, the agreement would be deemed to be anti-competitive.

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**7.7 Pricing Abuses**

7.7.1 The Licensee must not price telecommunication services in a manner that is likely to restrict competition. In particular, the Licensee must not engage in the following types of anti-competitive pricing:

- (a) *Predatory Prices.* The Licensee must not engage in anti-competitive predatory price-cutting. A price cut is deemed to be predatory if the following factors are present:
  - (i) The Licensee is selling its services at a price that is less than marginal cost;
  - (ii) There is likelihood that such price cutting will drive rivals from the market or deter future rivals from entering the market; and
  - (iii) Entry barriers are so significant that, after driving rivals from the market or deterring entry, the Licensee can impose an increase in prices sufficient (in amount and duration) to enable it to recoup the full amount of the loss that it incurred during the period of price cutting.
- (b) *Price Squeezes.* The Licensee must not provide an input to another entity (including other licensees and affiliates of the Licensee) at a price that is so high that the other entity could not profitably sell its product if it were required to pass on to its customers the full retail price of the input. Similarly, the Licensee must not obtain an input from an affiliate of the Licensee that has been designated as dominant at a price that is so high that efficient competing non-affiliated licensees could not profitably sell their end-product if they were required to purchase the input at the same price as the Licensee.
- (c) *Cross-subsidisation.* With effect from a date to be mandated by AITI the Licensee must not use revenues from the provision of a tariffed telecommunication service to cross-subsidise the price of other telecommunication services or equipment. To prevent such abuse, the Licensee must comply with any code of practice, directions, or advisory guidelines that may be issued from time to time under Sections 26, 27 or 28 of the Order by AITI requiring accounting separation, the correct allocation of costs between competitive and non-competitive operations, and the use of arm's length transaction between competitive and non-competitive operations. Similarly, the Licensee shall not accept any cross-subsidisation from an affiliate of the Licensee that has been designated as dominant.

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**7.8 Predatory Network Alteration**

- 7.8.1 The Licensee may not alter the physical or logical interfaces of its network in a manner that imposes significant costs on interconnected licensees in the absence of a legitimate business, operation or technical justification.

**7.9 Abuse of Market Dominance in a Foreign Market**

- 7.9.1 The Licensee may not use its affiliations with a telecommunication operator or other entity with market dominance in a foreign market or use the market position of its foreign affiliate in a manner that enables it to unreasonably restrict competition in the telecommunication market in Brunei Darussalam.

**7.10 Consumer Interest**

- 7.10.1 The Licensee shall give due consideration to any matter which relates to its System and Services and which the subject of a representation is made to the Licensee by a body recognised by AITI as representing the interest of consumers and other users of such System and Services.
- 7.10.2 The Licensee shall, if requested by AITI or if it sees fit, furnish to AITI particulars of any matter considered by the Licensee under this Clause or a digest of activities undertaken in any period in pursuance of this Clause.

**7.11 Customer Service**

- 7.11.1 The Licensee shall publish a Customer Service Contact, comprising of a contact address, telephone number, facsimile number, and an e-mail address, for the purposes of accepting any customer complaints or other issues in relation to the services provided by the Licensee.
- 7.11.2 The telephone number must be manned for a minimum of 18 hours every day from the hours of 0600 hrs to 2359 hrs.
- 7.11.3 For matters submitted to the Customer Service Contact by letter, facsimile or e-mail, the Licensee shall respond within 48 hours of the receipt of the matter.
- 7.11.4 The Licensee shall provide AITI with a quarterly summary of the number of matters received, the manner in which each matter was received, the response time for the matter, and the total time taken to resolve and close the matter.

**7.12 Resale Services**

- 7.12.1 Subject to the Order, the Licence and applicable codes of practice, directions and advisory guidelines that AITI may issue from time to time under Sections 26, 27 or

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28 of the Order, the Licensee may establish marketing and distribution schemes for the resale of the Services on the condition that the resale agencies shall not market themselves as licensees providing the Services, but as appointed resellers of the Licensee to market and promote the Services on the Licensee's behalf.

7.12.2 Where AITI is satisfied that any reseller of the Services has breached any term or condition of the resale agreement with the Licensee, or contravened the Order or applicable codes of practice, directions or advisory guidelines issued by AITI under Sections 26, 27 or 28 of the Order, AITI may direct the Licensee to suspend or revoke the said resale agreement and the Licensee shall comply with such direction within such time as may be specified by AITI.

7.12.3 AITI may issue directions to the Licensee in respect of any term and condition of its resale agreements and the Licensee shall comply with such directions within such time as may be specified by AITI and where applicable, notify its resellers immediately. For the purposes of this Clause 7.12, every resale agreement entered into by the Licensee with a reseller must include a provision subjecting the resale agreement to such directions as AITI may issue from time to time.

## **8 GENERAL**

### **8.1 Interpretation**

8.1.1 In this Licence, unless the context otherwise requires:

- (d) Words importing the singular or plural shall be deemed to include the plural or singular respectively, and words importing one gender include the other gender and vice versa;
- (e) The headings to the provisions of this Licence are for convenience of reference only and are not part of this Licence and shall not in any way affect the interpretation thereof;
- (f) Unless the context otherwise requires, any word or expression used in this Licence shall have the same meaning as it has in the Order;
- (g) Any reference in this Licence to the Order or the AITI Order, 2001 shall include any re-enactment and amendment thereof and any regulations made there under;
- (h) Any reference in this Licence to any regulations made under the Order shall include any regulations made under the Order and AITI Order, 2001 and their predecessors until such regulations are revoked or repealed by subsidiary legislation made under the Order;

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- (i) Any reference in this Licence to a person shall be deemed to include natural and legal persons;
- (j) Any reference to monetary amounts in this Licence shall be deemed to be denominated in Brunei Dollars; and
- (k) Any reference to any codes of practice, directive, advisory guidelines, framework or any other rule, document or written instrument promulgated by AITI shall include any amendment thereof.

**8.2 Compliance**

- 8.2.1 The Licensee shall observe and comply with the Telecommunications Order, 2001, the AITI Order, 2001, the International Telecommunication Convention and any other treaty or convention to which Brunei Darussalam is a party, and such other applicable written law in force in Brunei Darussalam.
- 8.2.2 Nothing in this Licence shall be taken as discharging the Licensee from its obligations to obtain any other licences, permits or approvals that may be required under any written law in force in Brunei Darussalam.

**8.3 Governing Law**

- 8.3.1 This Licence shall be governed by and construed according to the laws of Brunei Darussalam.

**8.4 Service of Notices**

- 8.4.1 All notices under this Licence shall be in writing and shall be deemed to have been given if sent by hand or pre-paid post or by facsimile to the Licensee's registered address as lodged in the Companies Registry.

**8.5 Severability**

- 8.5.1 Every Clause and part thereof shall be construed as a separate and severable provision so that if any Clause and part thereof is held invalid, unenforceable or illegal for any reason, the remainder of the Licence shall remain in full force in every respect.

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## SCHEDULE C: SPECIFIC TERMS AND CONDITIONS

[ Specific Terms and Conditions ]

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SAMPLE



## SCHEDULE D: INFORMATION TO BE PROVIDED TO AITI

- A. The Licensee shall provide the following information to AITI within twenty (20) working days of the anniversary of this Licence, or as and when required by AITI:

***[ This information requirement will be updated by AITI from time to time ]***

1. Audited Financial Reports or Management Reports;
2. Turnover of licensable and related activities in a manner specified by AITI;
3. Access and interconnection agreements entered into;
4. Service agreements entered into;
5. Notification of changes to the following:
  - 5.1. Memorandum and Articles of Association.
  - 5.2. Particulars of Shareholders, Directors or Managers and of any changes therein.
  - 5.3. Changes in shareholders.
  - 5.4. Changes in organisational chart.
  - 5.5. Changes in business registered address.
  - 5.6. Latest Annual Returns filed with Companies Registry.
  - 5.7. Customer service contact information:
    - 5.7.1. Contact officers.
    - 5.7.2. Correspondence address.
    - 5.7.3. Landline, Mobile, Helpline numbers.
    - 5.7.4. Emails.
    - 5.7.5. Social medias.
  - 5.8. Customer Charters:
    - 5.8.1. Complaint management process, including response and resolution times.
    - 5.8.2. Dispute settlement process.
    - 5.8.3. Customer invoices and billing arrangements.
    - 5.8.4. Quality of Service performance targets.
    - 5.8.5. Other matters dealt within the terms and conditions of the customer contract.
    - 5.8.6. Service subscription and termination process.

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SCHEDULE E: TECHNICAL SUMMARY

[ Technical Summary ]

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