



Suruhanjaya Komunikasi dan Multimedia Malaysia
Malaysian Communications and Multimedia Commission

Applicant Information Package No. 1 of 2017

Issued pursuant to regulation 8 of the Communications and Multimedia
(Spectrum) Regulations 2000

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SECTION ONE: INTRODUCTION

- 1 The Ministerial Determination on 700MHz Spectrum Reallocation, Determination No. 1 of 2017 (“**Ministerial Determination No. 1 of 2017**”) issued on 8 September 2017 determined the following frequency bands (“**700MHz frequency bands**”) to be reallocated for spectrum assignment:
 - (i) 703MHz to 743MHz; and
 - (ii) 758MHz to 798MHz.

- 2 The 700MHz frequency bands are currently used for analogue broadcasting service in Malaysia and shall be made available for mobile broadband service from 1 January 2019.

- 3 The 700MHz frequency bands are intended for the deployment of high speed mobile broadband service using Long Term Evolution (“**LTE**”) technology and beyond.

- 4 The Applicant Information Package No. 1 of 2017 is issued by the Malaysian Communications and Multimedia Commission (“**Commission**”) pursuant to regulation 8 of the Communications and Multimedia (Spectrum) Regulations 2000 (“**Spectrum Regulations**”), and shall be referred to as the **Applicant Information Package No. 1 of 2017**. For avoidance of doubt, for purposes of this document, the Applicant Information Package No. 1 of 2017 shall be referred to as ‘this AIP’.

- 5 The purpose of this AIP is to set out relevant information to assist applicants to comply with the procedures for the application of spectrum assignment in the 700MHz frequency bands ("**Application**").
- 6 The Commission now invites Eligible Persons (as defined in Section Two below) to submit their Application as set out herein ("**Submission**"). The Submission in hard copy and electronic form (i.e. in the form of a Compact Disc ("**CD**")) should be received by the Commission in full on or before **12 noon, 2 January 2018**.
- 7 Submissions in hard copy and electronic form should be addressed to:

Malaysian Communications and Multimedia Commission
MCMC Tower 1
Jalan Impact, Cyber 6
63000 Cyberjaya
Selangor Darul Ehsan
(Attention: Secretariat AIP No. 1 of 2017)

- 8 In circumstances where the Submission contains materials which are claimed to be confidential, it should be provided under a separate cover and clearly marked as "**CONFIDENTIAL**", and such claims of confidentiality shall be substantiated with written explanation. Unless otherwise marked, the Commission shall reserve the right to make available the extracts or entire Submission to the public.

SECTION TWO: METHOD, PROCEDURES AND TIMETABLE

PART A: METHOD

- 9 The 700MHz frequency bands shall be assigned **by way of tender**.
- 10 The tender is carried through the process of beauty contest.

PART B: PROCEDURES

I) Eligible Person

- 11 A company incorporated in Malaysia under the Companies Act 1965 or the Companies Act 2016 (as the case may be), and as at the date of issuance of this AIP are:

11.1 The holder of Network Facilities Provider Individual (NFP(I)) licence;

11.2 The holder of Network Service Provider Individual (NSP(I)) licence; and

11.3 An existing assignment holder that provides nationwide mobile broadband service in any of the following frequency bands:

- (i) 885MHz to 915MHz paired with 930MHz to 960MHz;
- (ii) 1710MHz to 1785MHz paired with 1805MHz to 1880MHz;
- (iii) 1920MHz to 1980MHz paired with 2110MHz to 2170MHz;
- (iv) 2300MHz to 2390MHz; or
- (v) 2500MHz to 2690MHz.

shall be considered an eligible person ("**Eligible Person**").

II) Invitation

- 12 An invitation will be duly issued by the Commission to the Eligible Person(s), in conjunction with this AIP.
- 13 The invitation will be made available by the Commission at the Commission's website at ***www.mcmc.gov.my***.

III) Relevant Timelines

- 14 The relevant timelines are as follows:

No.	Process	Date
1.	Publication of invitation	31 October 2017
2.	AIP is available for download	31 October 2017
3.	Closing date of the submission of Application	2 January 2018

- 15 For avoidance of doubt, for purposes of the Application, the same shall be received by the Commission not later than **12 noon, 2 January 2018**.

SECTION THREE: BUSINESS PLAN REQUIREMENTS

- 16 For purposes of the Application, the applicant shall submit its business plan (“**Business Plan**”) to be evaluated by the Commission. The Business Plan shall, in general, outline the applicant’s proposal(s) for utilizing the spectrum to be assigned, throughout the period of spectrum assignment.
- 17 The Business Plan shall contain a five (5) years business plan (i.e. from the year 2019 to 2023) for the service provisioning using the 700MHz frequency bands. The applicant shall submit its Business Plan based on **one (1) 2x5MHz spectrum block**.
- 18 The applicant shall indicate its preferred total spectrum allocation(s) and spectrum block(s) in the Business Plan. The Commission has set the spectrum limit of four (4) spectrum blocks per applicant. Each spectrum block is 2x5MHz.
- 19 The Business Plan shall be structured to reflect requirements in the following parts:
- (i) Part A: Service rollout and planned coverage;
 - (ii) Part B: Infrastructure sharing;
 - (iii) Part C: Services to be offered, retail prices and quality of service;
 - (iv) Part D: Past experience and track record;
 - (v) Part E: Financial and funding; and
 - (vi) Part F: Management and technical experience.

PART A: SERVICE ROLLOUT AND PLANNED COVERAGE

20 The applicant shall provide service rollout and coverage plan in accordance with the following requirements:

20.1 Strategy to provide service and coverage using the 700MHz frequency bands in terms of network planning, network facilities and transmission. The applicant shall outline strategy of network planning on the use of existing network facilities to complement the new network facilities.

20.2 Using the 700MHz frequency bands, the population coverage for mobile broadband service by years 2020 and 2023 is targeted at 95% and 98% respectively. The applicant shall indicate the number of sites and transmitters required to achieve the target, which shall also include population coverage in Zone 3 and Zone 4 areas. For the avoidance of doubt, Zone areas are defined as follows:

Zones	Population (Per square km)
Zone 1 – Urban	200 and above
Zone 2 – Sub-Urban	66 – 199
Zone 3 – Rural	20 – 65
Zone 4 – Remote	19 and below

20.3 Mobile service coverage is to be provided at major highways and railway lines, not limited to, Keretapi Tanah Melayu Berhad (KTMB), KL Monorail, Mass Rapid Transit (MRT), Light Rapid Transit (LRT) and KLIA Express by year 2023 and for High

Speed Railway (HSR) and East Coast Rail Line (ECRL) beyond 2023.

- 21 The applicant shall provide the information required in paragraph 20 above based on format provided in **Attachment I**.

PART B: INFRASTRUCTURE SHARING

- 22 The applicant shall demonstrate its capacity, capability and its commitment in infrastructure sharing. The key parameters are:

22.1 Sharing or allowing access to the use of airtime and network facilities with other licensees. Details shall include:

- (i) Sharing of physical facilities (i.e. percentage in relation to number of sites and level of sharing i.e. tower, floor space, and antenna at each site); and
- (ii) Network capacity and capabilities (i.e. traffic volume and access conditions to third parties).

22.2 Maximizing the use of existing network facilities including existing network capacity and capabilities, existing base station sites, backbones, radio links, etc. in enhancing sharing and reducing duplication of network facilities.

PART C: SERVICES TO BE OFFERED, RETAIL PRICES AND QUALITY OF SERVICE

23 The applicant shall:

23.1 Provide mobile broadband service using the 700MHz frequency bands by end of 2019;

23.2 Provide strategies to ensure that the prices of mobile broadband packages are lower than the current broadband packages offered;

23.3 State its proposal to provide higher mobile broadband speed (average speed of 30Mbps by year 2020 to meet RMK-11 target) for LTE technology and beyond, for example using carrier aggregation to achieve higher speed;

23.4 State its strategy to enhance quality of service and service level availability; and

23.5 Ensure minimal service disruption to its network during rollout of the 700MHz frequency bands throughout the validity period of the spectrum assignment.

PART D: PAST EXPERIENCE AND TRACK RECORD

24 The applicant shall also include the following:

24.1 Past experience and track record in rolling out mobile network and provisioning of service; and

24.2 Track record on compliance to the Communications and Multimedia Act 1998 ("**CMA**"), Spectrum Regulations and any other relevant subsidiary legislations.

PART E: FINANCIAL AND FUNDING

25 The applicant shall:

25.1 Submit its audited financial statements for the past three (3) years, which shall include detailed and summary of profit and loss statements, balance sheet and cash flow statement. The audited financial statements shall be accompanied by financial evaluations elaborating, among others the applicant's working capital position, debt ratios, profitability, weighted average cost of capital, etc.; and

25.2 Submit financial projections, which shall include assumptions of projections for the entire duration of spectrum assignment:

- (i) Among indicators that could be used in financial projections are net present value, return on investment, payback period, earnings before/after tax and profitability margins, operational efficiency (operational expenditure against revenue); and
- (ii) Revenue projections shall be based on retail and wholesale business, which include, among others, volume discounts.

26 The applicant shall provide its proposal on the funding, which shall include:

26.1 Information on proposed method of financing (for example, revolving loan, equity financing, vendor financing, etc.) for different requirements throughout the validity period of the spectrum assignment. The funding proposal shall indicate material terms attached to the financing, such as mark-up rate, coupon rate etc.;

26.2 Estimated cost of service rollout for the entire assignment period to meet the coverage requirement; and

26.3 Proof of funding throughout the validity period of the spectrum assignment including but not limited to regulatory cost and service rollout.

PART F: MANAGEMENT AND TECHNICAL EXPERIENCE

27 The applicant shall demonstrate that its key management and technical personnel have the necessary and relevant experience in the communications and multimedia industry for the last five (5) years particularly in mobile communications. The key parameters in evaluating these criteria will be based on, but not limited to the following:

- (i) Business and financial management;
- (ii) Technical management;
- (iii) Regulatory and spectrum management; and
- (iv) Management of retail and wholesale business.

28 In fulfilling this requirement, the applicant shall submit to the Commission the curriculum vitae of its management and technical teams, outlining their experience and level of involvement in the above parameters for the last five (5) years.

SECTION FOUR: BASIS OF EVALUATION AND SELECTION OF SUCCESSFUL APPLICANTS

PART A: EVALUATION OF APPLICATIONS

29 The Commission will evaluate the Business Plan submitted, whereby the weightage attributed to each of the evaluation criteria are as follows:

No.	Criteria	Weightage (%)
1.	Service rollout and planned coverage	25
2.	Infrastructure sharing	15
3.	Services to be offered, retail prices and quality of service	25
4.	Past experience and track record	10
5.	Financial and funding	20
6.	Management and technical experience	5
	TOTAL	100

30 In the event the Commission requires additional information from any of the applicant(s), the Commission may request for such information, by writing to the said applicant. The information

requested shall be forwarded to the Commission within the stipulated time to be determined by the Commission.

- 31 The Commission will duly announce the successful applicant(s) upon completion of the evaluation on the Business Plans submitted by the applicants.

PART B: SELECTION OF SUCCESSFUL APPLICANTS

- 32 The selection of successful applicant(s) shall be based on the evaluation criteria for the Business Plan as referred to in paragraph 29 above.
- 33 In the event if there is an unassigned block(s), the Commission reserves the right to re-tender the remaining spectrum at a time to be decided by the Commission.
- 34 Successful applicant(s) are subsequently required to submit to the Commission a Detailed Business Plan as further detailed in Section Eight below.
- 35 As the selection of successful applicant(s) is based on the Business Plan submitted at the point of Application, the Detailed Business Plan should not materially depart from the Business Plan.
- 36 The Commission reserves the right not to issue an assignment if the Commission is of the opinion that the Detailed Business Plan has materially departed from the Business Plan submitted at the point of Application.

SECTION FIVE: SPECTRUM TO BE ASSIGNED

37 The spectrum blocks for spectrum assignment are as follows:

Frequency Band	Block
703MHz to 708MHz paired with 758MHz to 763MHz	A
708MHz to 713MHz paired with 763MHz to 768MHz	B
713MHz to 718MHz paired with 768MHz to 773MHz	C
718MHz to 723MHz paired with 773MHz to 778MHz	D
723MHz to 728MHz paired with 778MHz to 783MHz	E
728MHz to 733MHz paired with 783MHz to 788MHz	F
733MHz to 738MHz paired with 788MHz to 793MHz	G
738MHz to 743MHz paired with 793MHz to 798MHz	H

38 The above frequency bands shall be assigned on nationwide basis.

39 Applicants may indicate their preferred spectrum block(s) of up to four (4) spectrum blocks (spectrum limit of 2x20MHz per applicant). The Commission reserves the right to decide on the final allocation of the spectrum block(s).

SECTION SIX: SPECTRUM ASSIGNMENT FEES

- 40 Pursuant to regulation 16 of the Spectrum Regulations, the fees for a spectrum assignment consist of the following components:
- (i) a price component ("**price component**"); and
 - (ii) an annual fee component for maintenance of the spectrum underlying the assignment ("**annual fee component**").
- 41 The payment of the price component and the annual fee component shall be made in a timely manner as described in this AIP, or otherwise as notified in writing by the Commission from time to time.
- 42 Together with the Application, applicants shall each submit to the Commission an Irrevocable Bank Guarantee ("**IBG**"), for the amount of **RM10,000,000 (Ringgit Malaysia Ten Million only)**, which shall be valid for one (1) year from **2 January 2018**, being the deposit for the Application. The IBG shall be duly issued by a financial institution incorporated in Malaysia and licensed under the Financial Services Act 2013 in favour of the Commission.
- 43 The IBG shall be in the format shown in **Attachment II (A)**.
- 44 The IBG is returned in the event the Application is not successful OR in the case of a successful applicant, upon receipt of the **first payment or lump sum payment** of spectrum assignment fee (price component).

- 45 In the event that a successful applicant decides not to accept an offer by the Commission, the IBG shall be forfeited and the Commission reserves the right to drawdown on the IBG in entirety upon receipt of the notice of non-acceptance by the said successful applicant.

PART A: PRICE COMPONENT

- 46 The successful applicant may select one (1) of the following options for payment of the entire cost of allocated spectrum block(s) that each has been allocated in this band:

(i) **Option 1: Payment in one (1) lump sum**

The price component of each 2x5MHz spectrum block shall be **RM215,535,000 (Ringgit Malaysia Two Hundred Fifteen Million Five Hundred and Thirty Five Thousand only)**; or

(ii) **Option 2: Five (5) equal annual payments**

The price component of each 2x5MHz spectrum block shall be **RM260,595,000 (Ringgit Malaysia Two Hundred Sixty Million Five Hundred and Ninety Five Thousand only)**; or

(iii) **Option 3: Ten (10) equal annual payments**

The price component of each 2x5MHz spectrum block shall be **RM328,380,000 (Ringgit Malaysia Three Hundred Twenty Eight Million Three Hundred and Eighty Thousand only)**; or

(iv) **Option 4: Fifteen (15) equal annual payments**

The price component of each 2x5MHz spectrum block shall be **RM417,120,000 (Ringgit Malaysia Four Hundred Seventeen Million One Hundred and Twenty Thousand only)**.

47 Please refer to the illustration provided below:

ILLUSTRATION

- Applicant A is allocated with 2x10MHz of 700MHz frequency bands.
- Total Bandwidth Allocated: 2x10MHz (i.e. 2 blocks of 2x5MHz).
- Total fixed price to be paid by Applicant A based on payment methods are as follow:

PAYMENT METHOD	SAMPLE CALCULATION FOR 2x10MHz SPECTRUM BLOCK
<p><u>OPTION 1:</u> ONE (1) LUMP SUM PAYMENT (RM)</p>	<p>TOTAL FIXED PRICE = RM215,535,000 x (Number of 2x5MHz spectrum block) = RM215,535,000 x 2 = RM431,070,000</p>
<p><u>OPTION 2:</u> FIVE (5) EQUAL ANNUAL PAYMENTS (RM)</p>	<p>TOTAL FIXED PRICE = RM260,595,000 x (Number of 2x5MHz spectrum block) = RM260,595,000 x 2 = RM521,190,000</p> <p>ANNUAL PAYMENT = RM521,190,000 ÷ 5 years = RM104,238,000 per year</p>
<p><u>OPTION 3:</u> TEN (10) EQUAL ANNUAL PAYMENTS (RM)</p>	<p>TOTAL FIXED PRICE = RM328,380,000 x (Number of 2x5MHz spectrum block) = RM328,380,000 x 2 = RM656,760,000</p> <p>ANNUAL PAYMENT = RM656,760,000 ÷ 10 years = RM65,676,000 per year</p>
<p><u>OPTION4:</u> FIFTEEN (15) EQUAL ANNUAL PAYMENTS (RM)</p>	<p>TOTAL FIXED PRICE = RM417,120,000 x (Number of 2x5MHz spectrum block) = RM417,120,000 x 2 = RM834,240,000</p> <p>ANNUAL PAYMENT = RM834,240,000 ÷ 15 years = RM55,616,000 per year</p>

- 48 Lump sum payment or first payment (applicable for Options 2, 3 and 4 of price component) shall be made payable prior to the award of spectrum assignment.
- 49 Subsequent payments for Options 2, 3 and 4 shall be received by the Commission by **12 noon** on **1 July** of each year. If **1 July** of a particular year falls on a weekend or a public holiday, the payment shall be received by the Commission by **12 noon of the earliest preceding day** which shall be a working day.
- 50 The payment of price component shall be made by way of:
- (i) Banker's cheque payable to 'Suruhanjaya Komunikasi dan Multimedia Malaysia'; or
 - (ii) Bank transfer to 'Suruhanjaya Komunikasi dan Multimedia Malaysia' as follows:

Name of Bank : CIMB Bank Berhad

Account No. : 8003224396
- 51 In the event that Options 2, 3 or 4 is chosen to pay for the price component, an IBG would be required to be submitted as follows:
- (i) In the case of multiple payments, the successful applicant(s) shall provide IBG prior to the award of spectrum assignment to guarantee payments of the price component for the amount equal to one (1) annual payment of the chosen payment option, for a minimum period of five (5) years.
 - (ii) Should the payment option chosen be more than five (5) years (i.e. for Options 3 or 4), the IBG shall be renewed one (1)

month before its expiry for another period of five (5) years accordingly, until end of payment period.

- (iii) The IBG shall be issued by a licenced financial institution incorporated in Malaysia and licenced under the Financial Services Act 2013 in favour of the Commission in the form and substance agreed by the Commission which shall be valid for the period as provided in subparagraphs 51(i) and 51(ii) above.
- (iv) The Commission is entitled to drawdown on the IBG in the event of default in payment by the successful applicants within the stipulated timeframe.
- (v) In the event of a drawdown, the successful applicants shall be required to issue to the Commission an additional guarantee to ensure that the total sum of the IBG is maintained at all times at the value specified in subparagraph 46 above.

52 The IBG to guarantee payment of price component shall be in the format shown in **Attachment II (B)**.

53 Any duties, taxes or service charges imposed by the Government of Malaysia or any other authorized agencies or entity shall be fully borne by the successful applicants.

PART B: ANNUAL FEE COMPONENT

54 The annual fee component for each 2x5MHz spectrum block shall be **RM18,539,000 (Ringgit Malaysia Eighteen Million Five Hundred and Thirty Nine Thousand only)** throughout the validity period of the spectrum assignment.

- 55 In principle, payment of the annual fee component shall be received by the Commission **before 15 December of each year**. The first payment of the annual fee shall be received by the Commission **before 15 December 2019**. If **15 December** of a particular year falls on a weekend or a public holiday, the payment shall be received by the Commission **by 12 noon of the earliest preceding day** which shall be a working day.
- 56 In the event payment is not received by the above stipulated date, necessary action(s) will be taken against the successful applicants pursuant to the CMA, the Spectrum Regulations and any other relevant instruments issued by the Commission, which includes drawdown on the IBG as elaborated in paragraph 75 and suspension or cancellation of an assignment.

SECTION SEVEN: ASSIGNMENT CONDITIONS

PART A: GENERAL

- 57 The effective date of the spectrum assignment is expected to be on **1 January 2019** (“**Effective Date**”). The 700MHz frequency bands are currently used for analogue broadcasting service in Malaysia. The timeline for availability of 700MHz frequency bands is dependent on the switch-off of analogue broadcasting service and is expected to be made available for mobile broadband service from 1 January 2019.
- 58 The use of 700MHz frequency bands will be subject to the analogue switch-off timeline in the neighbouring countries and may limit deployment in the following areas:
- (i) Within border areas between Malaysia and Thailand;
 - (ii) West Coast of Peninsular Malaysia; and
 - (iii) Within border areas with Indonesia in Sabah and Sarawak.
- 59 The validity period of the spectrum assignment shall be **fifteen (15) years** from the Effective Date of the spectrum assignment as specified in the Ministerial Determination No. 1 of 2017.
- 60 The use of spectrum assignment shall be subject to the Standard Radio System Plan and/or any guidelines issued by the Commission.
- 61 Assignment holders shall submit to the Commission, a list of sites of each apparatus to be installed **one (1) month** before the scheduled installation. The list shall include complete information as specified in regulation 15 of the Spectrum Regulations and such other information as may be required by the Commission from time to time.

62 Assignment holders are subject to all relevant provisions as provided for in the CMA, the Spectrum Regulations and any other relevant instruments, including any amendment made to the same, which may be issued by the Minister or the Commission from time to time.

PART B: REQUIREMENTS FOR COORDINATION

63 The use of spectrum assignment in areas located within Malaysia's border coordination zones shall be subject to any agreement with Malaysia's neighbouring countries in accordance with international law and/or regulations.

64 For this purpose, the assignment holders shall submit to the Commission the relevant technical details of the apparatus to be installed in such areas and the use of spectrum assignment shall be subject to coordination with Malaysia's neighbouring countries.

PART C: TRANSFER OR DEALING WITH SPECTRUM ASSIGNMENT

65 There shall be no change in the major shareholding of the assignment holders without prior written approval of the Commission throughout the validity period of the spectrum assignment.

66 The assignment holders shall not trade and/or transfer the spectrum assignment either in whole or in part to a third party.

PART D: BREACH OF CONDITIONS AND PENALTIES OF SPECTRUM ASSIGNMENT

- 67 Necessary action(s) may be taken against the assignment holders for any breach of the conditions of assignment or non-compliance to the CMA, the Spectrum Regulations and any other relevant instruments issued by the Commission.
- 68 In the event that the spectrum assignment is surrendered, suspended, cancelled or varied, no refund of the annual fee component and/or price component shall be made to the respective assignment holders, whether in whole or in part.

SECTION EIGHT: DETAILED BUSINESS PLAN

- 69 Successful applicant(s) shall submit a Detailed Business Plan based on final allocation of spectrum block(s) **within two (2) months** after the announcement of successful applicant(s) is made by the Commission, for evaluation and approval.
- 70 The Detailed Business Plan shall further elaborate the submission of Business Plan, based on final allocation of spectrum block(s). For example, the Detailed Business Plan will provide a list of specific tower sites (owned or shared), calculation of population coverage, coverage maps, etc.
- 71 The Detailed Business Plan shall be for the duration of five (5) years of the spectrum assignment and shall incorporate key deliverables, milestones and timelines as submitted in the Business Plan.

SECTION NINE: INSTRUCTION TO ELIGIBLE PERSON

PART A: STRUCTURE OF APPLICATION

72 The Application shall incorporate the following:

- (i) Letter of Application (sample provided in **Attachment III**);
- (ii) Declaration Form (provided in **Attachment IV**);
- (iii) Application Form (provided in **Attachment V**);
- (iv) Executive Summary of application which outlines key merits of the Application; and
- (v) The Business Plan as required in Section Three.

PART B: FEES AND GUARANTEES

73 In addition to the items specified in paragraph 72 above, the Application shall be accompanied by the following:

- (i) The spectrum assignment application fee of **RM5,000 (Ringgit Malaysia Five Thousand only)** shall be paid by way of banker's cheque made payable to 'Suruhanjaya Komunikasi dan Multimedia Malaysia'. The application fee is not part of the spectrum assignment fee and it is non-refundable; and
- (ii) IBG of **RM10,000,000 (Ringgit Malaysia Ten Million only)** as specified in paragraph 42 above.

- 74 Prior to the award of spectrum assignment, the successful applicant shall provide the following:
- (i) Lump sum payment of price component for spectrum assignment fee; or
 - (ii) First payment (applicable for Options 2, 3 and 4) of price component for spectrum assignment fee together with the IBG as specified in paragraph 51 above.
- 75 Notwithstanding the choice of payment option, the successful applicants shall also submit to the Commission, an IBG to guarantee performance and compliance with the conditions of the spectrum assignment and the Detailed Business Plan, payable on demand, either in part or in full, for the amount of **RM50,000,000 (Ringgit Malaysia Fifty Million only)**, which shall be valid for the duration of the spectrum assignment in the format shown in the **Attachment II (C)**. The IBG shall be duly issued by a financial institution incorporated in Malaysia and licensed under the Financial Services Act 2013 in favour of the Commission.

PART C: SUBMISSION OF APPLICATION

- 76 The applicants are required to read and understand the whole content of this AIP before preparing the submission of Application.
- 77 The submission of Application shall be in **one (1) original** and **one (1) copy**. In addition to the hardcopies, the proposal shall also be submitted in electronic form (i.e. in the form of CD).

78 Applicants must ensure that the applicant's official company stamp and authorized signature appear on all pages of the applications.

79 The complete submission of Application shall be made to the following address:

Malaysian Communications and Multimedia Commission

MCMC Tower 1

Jalan Impact, Cyber 6

63000 Cyberjaya

Selangor Darul Ehsan

(Attention: Secretariat AIP No. 1 of 2017)

80 The Commission will NOT ACCEPT any submission made by way of email, fax, mail and/or other means.

81 In the event that there is any dispute on the delivery and accuracy of the Application submitted, the Commission shall evaluate the Application based on the original copy submitted.

82 The Commission will acknowledge the receipt of the Applications.

83 Applicants are reminded that once submitted, the Application is considered final, and the Commission shall not entertain any alteration or modification made to it. However, if necessary, the Commission may request additional information to be submitted.

PART D: CLOSING DATE FOR SUBMISSION OF APPLICATION

84 The complete Application shall be received by the Commission on or before **12 noon, 2 January 2018**.

PART E: DISCLOSURE

85 Applicants shall indicate the parts which applicants consider private and confidential, and such parts should be marked as **"CONFIDENTIAL"**.

PART F: MISCELLANEOUS

86 The Commission is not liable to pay damages or costs arising from an act or omission of any person in relation to any part of this AIP.

87 The Commission reserves the right to amend or vary any part of this AIP, including the conditions of assignment as stipulated in this AIP.

ATTACHMENT I: FORMAT FOR SERVICE ROLLOUT AND COVERAGE

a) Rollout Timelines per Geographic Area for 700MHz Frequency Bands Only

Year	2019	2020	2021	2022	2023
Total number of transmitters nationwide					
Total number of sites nationwide					
Number of sites in Zone 1					
Number of sites in Zone 2					
Number of sites in Zone 3					
Number of sites in Zone 4					
Geographical distribution per state* – to specify number of transmitters and sites for each state					

Note: Applicant shall provide figures based on cumulative figure from 2019 until 2023.

*Geographical distribution per state shall consist of geographic areas as shown below:

No.	Geographic Area
1	Wilayah Persekutuan Putrajaya
2	Wilayah Persekutuan Kuala Lumpur
3	Selangor
4	Pulau Pinang
5	Johor
6	Kedah
7	Perak
8	Pahang
9	Perlis
10	Melaka
11	Negeri Sembilan
12	Kelantan
13	Terengganu
14	Sabah and Wilayah Persekutuan Labuan
15	Sarawak

b) Service Coverage Using 700MHz Frequency Bands Only

Year	2019	2020	2021	2022	2023
% nationwide population coverage					
% population coverage in Zone 1					
% population coverage in Zone 2					
% population coverage in Zone 3 and Zone 4					
% service coverage for major highways and railway lines by 2023, and HSR and ECRL beyond 2023					
Geographical distribution per state** – to specify population coverage for each state					

Note:

Applicant shall provide figures based on cumulative figure from 2019 until 2023.

Applicant shall provide coverage map per year based on geographic areas to support the above information.

**Geographical distribution per state shall consist of geographic areas as shown below:

No.	Geographic Area
1	Wilayah Persekutuan Putrajaya
2	Wilayah Persekutuan Kuala Lumpur
3	Selangor
4	Pulau Pinang
5	Johor
6	Kedah
7	Perak
8	Pahang
9	Perlis
10	Melaka
11	Negeri Sembilan
12	Kelantan
13	Terengganu
14	Sabah and Wilayah Persekutuan Labuan
15	Sarawak

ATTACHMENT II: SAMPLE OF IRREVOCABLE BANK GUARANTEE

Note: The Irrevocable Bank Guarantee shall be substantially in the following form:

A) Irrevocable Bank Guarantee for the Deposit

IRREVOCABLE BANK GUARANTEE

At the request of **[insert Licence Holder's name] [insert Company Registration No:xxx]** (hereinafter called the "**Applicant**"), we **[insert Bank's name and details]** hereby irrevocably guarantee the sum of **RM10,000,000.00 (Ringgit Malaysia Ten Million Only) ("Sum")** being the sum required to be deposited with the Malaysian Communications and Multimedia Commission ("Commission") in accordance with paragraph 42 of the Applicant Information Package No. 1 of 2017.

The Sum shall be payable by us to the Commission either in part or in full within seven (7) working days, upon receipt of the Commission's first demand PROVIDED ALWAYS that the total liability enforceable against us under this Guarantee shall not exceed the Sum and notwithstanding any contestation, protest and/or objection by the Applicant or any third party and without proof or conditions.

Subject to the provisions below, we agree that we shall not be discharged nor released from this Guarantee by any arrangement between the Applicant and the Commission with or without our consent or by any alteration in the obligations undertaken by the Applicant or by any forbearance, whether as to payment, time, performance or otherwise, but we shall forthwith be informed of such arrangement or alteration.

This Guarantee is effective from **2 January 2018 and expires on 1 January 2019.**

The Commission reserves the right to make multiple and/or partial claims if it shall so desire provided that the aggregate amount of the partial claims shall not exceed the Sum.

This Guarantee is to be governed by and construed in accordance with the laws of Malaysia.

Signed for and on behalf
of the said **GUARANTOR**

B) Irrevocable Bank Guarantee for Price Component

IRREVOCABLE BANK GUARANTEE

In consideration of the Malaysian Communications and Multimedia Commission (“**Commission**”) issuing Spectrum Assignment (“**SA**”) to [**insert Licence Holder’s name**] (hereinafter called the “**Applicant**”) in the frequency band **from [to insert the frequency band]**, we [**insert Bank’s name and details**] hereby irrevocably guarantee the sum of [**insert amount**] (**Ringgit Malaysia [insert amount]**) (“**Sum**”) being the sum to guarantee the Applicant’s payment of SA fee (price component) as requested by the Commission.

The Sum shall be payable by us to the Commission either in part or in full within seven (7) working days, upon receipt of the Commission’s first demand PROVIDED ALWAYS that the total liability enforceable against us under this Guarantee shall not exceed the Sum and notwithstanding any contestation, protest and/or objection by the Applicant or any third party and without proof or conditions.

Subject to the provisions below, we agree that we shall not be discharged nor released from this Guarantee by any arrangement between the Applicant and the Commission with or without our consent or by any alteration in the obligations undertaken by the Applicant or by any forbearance, whether as to payment, time, performance or otherwise, but we shall forthwith be informed of such arrangement or alteration.

This Guarantee shall be valid for a period of five (5) years with effect from **1 July 20xx and expires on 30 June 20xx.**

The Commission reserves the right to make multiple and/or partial claims if it shall so desire provided that the aggregate amount of the partial claims shall not exceed the Sum.

This Guarantee is to be governed by and construed in accordance with the laws of Malaysia.

Signed for and on behalf
of the said **GUARANTOR**

**As provided in paragraph 51*

C) Irrevocable Bank Guarantee for Performance and Compliance

IRREVOCABLE BANK GUARANTEE

In consideration of the Malaysian Communications and Multimedia Commission ("**Commission**") issuing Spectrum Assignment ("**SA**") to [**insert Licence Holder's name**] (hereinafter called the "**Applicant**") in the frequency band **from [to insert the frequency band]**, we [**insert Bank's name and details**] hereby irrevocably guarantee the sum of **RM50,000,000.00 (Ringgit Malaysia Fifty Million Only)** ("**Sum**") being the sum to guarantee the following:

- (a) The Applicant's compliance with the Detailed Business Plan duly approved by the Commission;
- (b) The Applicant's compliance with the conditions of the SA; and
- (c) The Applicant's payment of the annual fee component.

The Sum shall be payable by us to the Commission either in part or in full within seven (7) working days, upon receipt of the Commission's first demand PROVIDED ALWAYS that the total liability enforceable against us under this Guarantee shall not exceed the Sum and notwithstanding any contestation, protest and/or objection by the Applicant or any third party and without proof or conditions.

Subject to the provisions below, we agree that we shall not be discharged nor released from this Guarantee by any arrangement between the Applicant and the Commission with or without our consent or by any alteration in the obligations undertaken by the Applicant or by any forbearance, whether as to payment, time, performance or otherwise, but we shall forthwith be informed of such arrangement or alteration.

This Guarantee shall be valid for a period of fifteen (15) years with effect from **1 January 20xx and expires on 31 December 20xx.**

The Commission reserves the right to make multiple and/or partial claims if it shall so desire provided that the aggregate amount of the partial claims shall not exceed the Sum.

This Guarantee is to be governed by and construed in accordance with the laws of Malaysia.

Signed for and on behalf
of the said **GUARANTOR**

**As provided in paragraph 75*

ATTACHMENT III: SAMPLE OF APPLICATION LETTER

COMPANY LETTERHEAD

Date
Ref. No.

Chairman
MALAYSIAN COMMUNICATIONS AND MULTIMEDIA COMMISSION
MCMC Tower 1
Jalan Impact, Cyber 6
63000 Cyberjaya
Selangor Darul Ehsan

Dear Sir,

APPLICATION FOR SPECTRUM ASSIGNMENT IN 700MHz FREQUENCY BANDS

We are pleased to submit our application for the spectrum assignment in the 700MHz frequency bands ("**Application**"). Please find attached herewith the following documents as part of the requirements for the Application:

- a. Duly completed Declaration Form
- b. Duly completed Application Form
- c. Executive Summary of our Application
- d. Business Plan

In relation to the Application, we also submit herewith the following:

- a. Non-refundable spectrum assignment Application fee of **RM5,000.00 (Ringgit Malaysia Five Thousand only)** by way of banker's cheque made payable to 'Suruhanjaya Komunikasi dan Multimedia Malaysia'.
- b. An Irrevocable Bank Guarantee, payable on demand for the amount of **RM10,000,000.00 (Ringgit Malaysia Ten Million only)**, valid for one (1) year from 2 January 2018, being deposit for the Application.

Thank you.

Yours faithfully,

COMPANY NAME

Signed, Authorized Signatory
NAME
POSITION

ATTACHMENT IV: DECLARATION FOR SUBMISSION OF APPLICATION

APPLICANT'S DECLARATION

**TENDER FOR SPECTRUM ASSIGNMENT IN 700MHz FREQUENCY
BANDS**

We, ***(Name of Company Representative 1)*** and ***(Name of Company Representative 2)***, hereby declare that we, the undersigned, as directors and representatives representing ***(Name of Company with the registration number of the company)*** for this application, confirm and acknowledge that we have understood the Applicant Information Package No. 1 of 2017, and confirm that the factual information provided therein, or in support of the application is, to the best of our knowledge, information and belief, true, accurate and has no material omissions, and that any opinion expressed is honestly held.

Sincerely,

(Authorized Signature)
(Name and NRIC/Passport No.):
(Position)

(Authorized Signature)
(Name and NRIC/Passport No.):
(Position)

COMPANY SEAL:

DATE:

ATTACHMENT V: APPLICATION FORM



SURUHANJAYA KOMUNIKASI DAN MULTIMEDIA MALAYSIA
Malaysian Communications and Multimedia Commission

Application Form for spectrum assignment in 700MHz frequency bands

For
MCMC
Use

AF-A COMPANY PARTICULARS

1.	Registered Name :	
2.	Company Registration No. :	
3.	Date of Incorporation :	
4.	Registered Address Post Code :	
5.	Contact Persons (Maximum Three Only):	
	i. Name : _____ Designation : _____	Tel. : _____ _____
	ii. Name : _____ Designation : _____	Tel : _____ _____
	iii. Name : _____ Designation : _____	Tel : _____ _____

AF-B SHAREHOLDINGS

1. List down all the shareholders of the Applicant according to the latest submission to the Registrar of Companies pursuant to the Companies Act 1965 or the Companies Act 2016 (or submission to the Securities Commission if the company is listed on the Malaysian stock exchange)

No.	Name	NRIC /Passport/ Company No	Number of Shares Owned	(%)
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10				
	TOTAL			

2. Provide company's latest organizational chart indicating the relationship of the Applicant to its shareholders or parent, associate, subsidiary and other companies related to the Applicant (in an Attachment). This chart also should also display the amount of shareholding between these companies.

AF-C BOARD OF DIRECTORS

Please fill the table below. Additional entry shall be provided in a separate sheet, and be marked as such. Please note that this part only lists the Board of Directors; details should be given as part of the submission set out in the Applicant Information Package.

No.	Name	Position
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

Note : For purposes of Sections AF-A, AF-B and AF-C, please include all the relevant documents filed with the Registrar of Companies pursuant to the Companies Act 1965 or the Companies Act 2016. These supporting documents should reflect the most up to date shareholding and directorships of the Applicant as at the date of submission.

Note: In this part, Applicants are required to submit information of licences and assignments held by the Applicant.

A.

Licences issued under the Communications and Multimedia (Licensing) Regulations 2000.

	Type of Licence	Check	Licence Number	Date Issued	Expiry Date
1.	Network Facilities Provider Individual	<input type="checkbox"/>			
2.	Network Services Provider Individual	<input type="checkbox"/>			

B.

Assignment issued under the Communications and Multimedia (Spectrum) Regulations 2000.

	Type of Assignment	Check	Frequency Range	Date Issued	Expiry Date
1.	Apparatus Assignment	<input type="checkbox"/>			
2.	Spectrum Assignment	<input type="checkbox"/>			

AF-E

FEES AND DEPOSITS**1. SPECTRUM ASSIGNMENT APPLICATION FEE**

The spectrum assignment application fee of RM5,000.00 (Ringgit Malaysia Five Thousand only), by way of banker's cheque.

2. DEPOSIT FOR SPECTRUM ASSIGNMENT

The Deposit for this spectrum assignment shall be RM10,000,000.00 (Ringgit Malaysia Ten Million only), by way of an Irrevocable Bank Guarantee.

AF-F

PREFERRED SPECTRUM BLOCKS

Applicant may indicate their preferred spectrum block(s) of up to four (4) spectrum blocks (spectrum limit of 2x20MHz per applicant). The Commission reserves the right to decide on the final allocation of the spectrum block(s).

Frequency Band	Block	Please tick (✓)
703MHz to 708MHz paired with 758MHz to 763MHz	A	
708MHz to 713MHz paired with 763MHz to 768MHz	B	
713MHz to 718MHz paired with 768MHz to 773MHz	C	
718MHz to 723MHz paired with 773MHz to 778MHz	D	
723MHz to 728MHz paired with 778MHz to 783MHz	E	
728MHz to 733MHz paired with 783MHz to 788MHz	F	
733MHz to 738MHz paired with 788MHz to 793MHz	G	
738MHz to 743MHz paired with 793MHz to 798MHz	H	