

Kingdom of Saudi Arabia
Saudi Communications Commission

Telecommunications Bylaw

Translation of Arabic Text. In all cases the Arabic version takes precedence over the English version.

Table of Contents

CHAPTER 1 GENERAL PROVISIONS	1
Article 1	1
Article 2	7
Article 3	8
Article 4	8
Article 5 Provision of Information to the Commission and Other Persons	9
Article 6 Appointment of Inspectors.....	9
Article 7 Disconnection.....	10
Article 8 Appointment of Inquiry Officers	10
Article 9 Licensing and Other Fees	11
CHAPTER 2 TELECOMMUNICATIONS LICENSES	12
Article 10 General Provision Relating to Licenses.....	12
Article 11 Types of Telecommunications Licenses.....	13
Article 12 Conditions of Individual Licenses	15
Article 13 Licensing Process and Criteria.....	16
Article 14 Licensing in Situations of Scarcity.....	17
Article 15 Comparative Evaluation Process.....	18
Article 16 Auction Process	19
Article 17 Radio Licenses	19
Article 18 Fixed and Mobile Telephone Service.....	20
Article 19 Other Individual Licenses.....	21
Article 20 Class Licenses	22
Article 21 Registrations Under Class Licenses	24
Article 22 National Telecommunications Registry	24
CHAPTER 3 ACCESS TO PROPERTY	25
Article 23 Rights of Entry on Public Lands	25
Article 24 Rights of Entry on Private Lands.....	26
Article 25 Existing Telecommunications Facilities	26
Article 26 Other Installations	27
Article 27 Sites with Environmental or Historical Significance.....	27
Article 28 Co-location.....	27
CHAPTER 4 COMPETITION BETWEEN SERVICE PROVIDERS	28
Article 29 Duties of Commission Regarding Competition.....	28
Article 30 Designation of Dominant Service Providers.....	28
Article 31 Abuse of Dominance.....	30
Article 32 Other Anti-competitive Practices.....	31
Article 33 Determination of Abuse of Dominance and Anti-competitive Practices.....	31
Article 34 Remedies for Abuse of Dominance and Anti-Competitive Practices.....	32
Article 35 Mergers	33

Translation of Arabic Text. In all cases the Arabic
version takes precedence over the English version.

CHAPTER 5 INTERCONNECTION	36
Article 36 Functions and Duties of Commission Regarding Interconnection	36
Article 37 Interconnection by All Service Providers	37
Article 38 Interconnection by Dominant Service Providers	38
Article 39 Requests for Interconnection.....	38
Article 40 Interconnection Charges	39
Article 41 Reference Interconnection Offers.....	40
Article 42 Publication of Interconnection Agreements	40
Article 43 Non-compliant Interconnection Agreements.....	41
CHAPTER 6 DISPUTES BETWEEN SERVICE PROVIDERS	42
Article 44 Resolution of Disputes between Service Providers.....	42
Article 45 Consensual Resolution.....	42
Article 46 Mandated Resolution	44
CHAPTER 7 TARIFFS.....	45
Article 47 Tariff Filing and Approval	45
Article 48 Publication of Tariffs.....	46
Article 49 Tariffs for Services to Other Service Providers.....	47
Article 50 Preferential Tariffs.....	47
Article 51 General Principles for Tariff Regulation.....	47
Article 52 Cost Studies	48
Article 53 Price Cap Regulation Plan.....	48
Article 54 Consultation Process on Price Cap Regulation	49
CHAPTER 8 RELATIONS BETWEEN SERVICE PROVIDERS AND USERS	49
Article 55 Fair Dealing Practices	49
Article 56 Confidentiality of User Information	51
Article 57 Confidentiality of User Communications	52
Article 58 Protection of Personal Information	52
Article 59 User Complaints	53
Article 60 Continuity of Service.....	54
Article 61 No Unjustified Discrimination	55
Article 62 User Information Obligations.....	56
Article 63 Terms of Service	56
Article 64 Information on Terms of Service	57
Article 65 Telephone Directories.....	57
Article 66 Billing	58
Article 67 Quality of Service	60
Article 68 Access to User Premises	61
Article 69 Liability, Refunds and Damages	61
Article 70 Suspension and Termination of Service by a Service Provider	62
Article 71 Suspension and Termination of Service by a User.....	62
Article 72 User Complaints.....	63
Article 73 Future Regulatory Requirements.....	65
CHAPTER 9 UNIVERSAL ACCESS AND UNIVERSAL SERVICE POLICIES	65
Article 74 General Provisions.....	65

Translation of Arabic Text. In all cases the Arabic version takes precedence over the English version.

Article 75	Universal Access and Universal Service Policies.....	65
Article 76	Universal Access and Universal Service Plans for Incumbent Operator.....	66
Article 77	Universal Access and Universal Service Plans.....	67
Article 78	Funding of Universal Access and Universal Service.....	68
CHAPTER 10	FREQUENCY SPECTRUM.....	69
Article 79	Radio Licenses	69
Article 80	National Frequency Spectrum Plan	69
Article 81	Frequency Spectrum Management Procedures	70
Article 82	Limitation on Frequency Usage	70
Article 83	Enforcement	71
CHAPTER 11	NUMBERING	71
Article 84	National Numbering Plan.....	71
Article 85	Number Licenses	72
Article 86	Allocation of Numbers to Users.....	72
Article 87	Number Portability	73
CHAPTER 12	TELECOMMUNICATIONS EQUIPMENT	74
Article 88	General Provisions.....	74
Article 89	Technical Standards.....	74
Article 90	Licensing and Type Approval.....	74
Article 91	Type Approval Procedure	75
Article 92	Type Approved Telecommunications Equipment.....	75
CHAPTER 13	PROTECTION AND PREVENTION AGAINST INTRUSION	76
Article 93	76
CHAPTER 14	VIOLATIONS	76
Article 94	Violations Committee.....	76
Article 95	Considerations for the Violations Committee	77
CHAPTER 15	CLOSING PROVISIONS.....	78
Article 96	Amendments of this Bylaw.....	78

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CHAPTER 2 TELECOMMUNICATIONS LICENSES

Article 10 General Provision Relating to Licenses

10.1 No person shall

- (a) provide a telecommunications service to the public, or
- (b) operate a telecommunications network used to provide a telecommunications service to the public,

except under and in accordance with a telecommunications license issued by the Commission.

10.2 Licenses shall be in writing, and shall be available for inspection by the public.

10.3 In accordance with the Act, there shall be four types of licenses:

- (a) telecommunications licenses;
- (b) radio licenses;
- (c) number licenses; and
- (d) equipment licenses.

10.4 When a license is issued, renewed, or amended, the Commission shall publish a notice on its official web site indicating where a current version of the license may be viewed by the public.

Article 11 Types of Telecommunications Licenses

- 11.1 The Commission may issue two types of telecommunications licenses pursuant to Commission statutes: individual licenses and class licenses.
- 11.2 The following services and networks shall, unless the Commission decides otherwise, require an individual license:
- (a) fixed voice telephone services;
 - (b) public mobile cellular telecommunications services;
 - (c) operation of a public telecommunications network;
 - (d) national and international fixed and mobile data communications services; and
 - (e) such other types of service as the Commission decides shall require an individual license.
- 11.3 The Commission shall issue licenses to provide fixed and mobile telecommunications services after obtaining the approval of the Council of Ministers pursuant to Article Five of the Act.
- 11.4 Class licenses shall be issued to authorize more than one service provider of the same class to provide telecommunications services or operate telecommunications networks, except as provided in paragraph 11.2 of this Article. Class licenses shall be subject to the following rules:
- (a) All class licenses shall impose identical conditions on all licensees in the class of service providers authorized by the license.
 - (b) There shall initially be two types of class licenses, Type A and Type B class licenses as referred to in paragraphs 11.5 and 11.6 of this article.
 - (c) The Commission may establish additional types of class licenses.
 - (d) In issuing Type A class licenses, the Commission may:
 - (a) limit the number of licensees authorized to provide the class of service; and
 - (b) establish competitive or other qualification and licensing procedures consistent with the Commission statutes.

- (e) In issuing Type B class licenses, the Commission shall not:
 - (a) limit the number of licensees authorized to provide the class of service; nor
 - (b) require any competitive or other qualification and licensing procedures other than the filing of a simple registration form with the Commission, indicating the name, address, and basic service information for the licensee.
 - (f) Class licenses shall include a condition that every licensee in the class must file a registration with the Commission at least thirty (30) days prior to commencement of its service. The registration shall include the name of the service provider, its address, a description of the service it will provide, and other basic service information specified in the class license.
 - (g) The Commission may suspend or revoke a registration for breach of the conditions of a class license. A suspension or revocation shall only occur after written notice to the licensee by the Commission and after a reasonable opportunity, not to be fewer than fifteen (15) days, has been given to the service provider to cure the breach.
 - (h) Prior to issuing a class license, the Commission may:
 - (a) publish a draft of the proposed class license containing the proposed conditions for the provision of telecommunications services or operation of networks by licensees in the class;
 - (b) invite public comments to the Commission regarding the proposed class license; and
 - (c) after taking into account any comments received, issue and publish the class license.
- 11.5 The following services and networks shall, unless the Commission decides otherwise, require a Type A class license:
- (a) national and international voice telephone resale services;
 - (b) Very Small Aperture Terminal (VSAT) satellite services;
 - (c) public pay telephone services;
 - (d) radio paging services;

- (e) temporary network services; and
 - (f) any other service or network that the Commission decides does not require an individual license or a different type of class license.
- 11.6 The following services and networks shall, unless the Commission decides otherwise, require a Type B class license:
- (a) Internet service provider (ISP) services;
 - (b) value-added network services;
 - (c) GMPCS or global mobile personal communication services;
 - (d) Public Call Office (PCO); and
 - (e) any other service or network that the Commission decides require a Type B class license.
- 11.7 Service providers may operate under more than one license.
- 11.8 The Commission shall address matters relating to the amendment, renewal, suspension, revocation or re-assignment of class licenses and registrations in accordance with this Bylaw and the Rules of Procedure.

Article 12 Conditions of Individual Licenses

- 12.1 The Commission may impose conditions on individual licenses to implement the objectives of the Act, including, without limitation, conditions that address the following matters:
- (a) scope of the services to be offered;
 - (b) quality of service parameters;
 - (c) terms and conditions of exclusivity;
 - (d) network or service rollout requirements;
 - (e) additional service obligations;
 - (f) limitations on ownership of other service providers;
 - (g) specific tariff conditions in addition to those in this Bylaw;

- (h) requirements relating to the filing of information by the licensee with the Commission;
 - (i) requirements for co-operation with the Commission in the exercise of its duties under the Commission statutes;
 - (j) the level of segregation of telecommunications services for accounting and regulatory purposes as may be determined by the Commission; and
 - (k) requirements with respect to billing, inquiry services and emergency services.
- 12.2 Individual licenses for the same type of service shall have the same conditions unless differences are objectively justified by different circumstances.
- 12.3 The Commission may issue individual licenses for a term not to exceed twenty-five (25) years.
- 12.4 The Commission may issue decisions requiring one or more service providers to file a plan for the approval of the Commission regarding the provision of disaster and emergency telecommunications services.

Article 13 Licensing Process and Criteria

- 13.1 The Commission shall take into account the regulatory objectives of Article Three of the Act in issuing licenses and establishing license conditions.
- 13.2 Each applicant for an individual license shall, at a minimum, provide the information set out below:
- (a) name, address and other location co-ordinates of the applicant;
 - (b) a description of the specific type of service that the applicant proposes to provide, and the geographic area the telecommunications service would cover;
 - (c) a description of the specific network and telecommunications transmission system that the applicant proposes to establish and operate, and the schedule for implementation and roll-out of the network and system;
 - (d) clear evidence that the applicant has the financial capability to provide the proposed services and to implement the proposed network; and

- (e) clear evidence that the applicant has the technical capability and experience or has access to the technical capability and experience to provide the proposed services and to implement the proposed network;
- 13.3 The Commission may, from time to time, publish information regarding procedures and required contents for applications for different types of individual licenses. The procedures published by the Commission shall provide:
- (a) sufficient information regarding the proposed license to enable applicants to file complete applications;
 - (b) sufficient time between the date of the publication and the due date for the submission of applications to enable applicants to file complete applications;
 - (c) for an appropriate degree of public consultation, to be determined in the Commission's discretion, depending on the Commission's assessment of the importance of the license;
 - (d) all of the licensing criteria and the period of time required to reach a decision concerning an application for a license; and
 - (e) any other objective standards that the Commission may determine.
- 13.4 The Commission may publish the information filed with it pursuant to this Article.
- 13.5 The Commission shall provide reasons for the denial of an individual license, or for its refusal to accept a registration under a class license, to the applicant upon request.

Article 14 Licensing in Situations of Scarcity

- 14.1 The Commission may limit the number of licenses issued in a given telecommunications market:
- (a) during the period of transition towards competition in order to promote the orderly and rapid development of that type of telecommunications network or service;
 - (b) if frequencies are not available for allocation in sufficient quantity.
- 14.2 If the number of licenses is to be limited pursuant to this Article, the Commission may select a licensing process based on the type of telecommunications service or telecommunications network under consideration. The Commission may select:

- (a) a comparative evaluation process in accordance with Article 15 of this Bylaw;
 - (b) an auction process in accordance with Article 16 of this Bylaw; or
 - (c) such other process as the Commission deems appropriate in the circumstances.
- 14.3 The Commission shall publish its decision on the choice of type of licensing process in paragraph 14.2 of this Article as well as any rules it considers appropriate for the conclusion of the licensing process.
- 14.4 Where the Commission limits the number of licenses being awarded, the process for the issuance of such licenses shall be objective, transparent, and non-discriminatory.

Article 15 Comparative Evaluation Process

- 15.1 When conducting a comparative evaluation process, the Commission shall determine which applicant is, on the basis of financial and technical capability, best placed to satisfy users' demand for the relevant telecommunications network or telecommunications service.
- 15.2 The Commission shall conduct a pre-qualification process during which each potential applicant shall provide:
- (a) clear evidence that the applicant has the financial capability to provide the proposed services and implement the proposed network; and
 - (b) clear evidence that the applicant has the technical capability and experience or has access to the technical capability and experience to provide the proposed services and implement the proposed network.
- 15.3 The Commission shall invite applicants who provide the evidence required under paragraph 15.2 of this Article in a form and substance satisfactory to the Commission, to submit applications in the comparative evaluation process. Applications shall contain the information specified in paragraph 13.2 of Article 13 of this Bylaw and such other information as may be reasonably required by the Commission.
- 15.4 The Commission shall establish a process for the comparative evaluation process which shall include the procedures established in paragraph 15.3 of this Article. The comparative evaluation of applicants shall be based on such objective criteria as the Commission may determine.
- 15.5 The Commission may publish the information filed with it pursuant to this Article.

Article 16 Auction Process

- 16.1 Prior to conducting an auction for a license to provide a telecommunications service, the Commission shall conduct a pre-qualification process during which each applicant must provide:
- (a) clear evidence that the applicant has the financial capability to provide the proposed services and implement the proposed network; and
 - (b) clear evidence that the applicant has the technical capability and experience or has access to the technical capability and experience to provide the proposed services and implement the proposed network.
- 16.2 The Commission shall invite qualified applicants who provide the evidence required under paragraph 16.1 of this Article in a form and substance satisfactory to the Commission to participate in the auction process. The Commission may establish rules for an auction process, including the qualification process, and those procedures shall be published in a decision.

Article 17 Radio Licenses

- 17.1 Where an applicant for a telecommunications license, or an applicant for renewal of a telecommunications license, requires frequency spectrum for the provision of the telecommunications services or the operation of the telecommunications network contemplated in the application, the applicant shall file an application for issuance or renewal of a radio license and the Commission shall process both applications concurrently.
- 17.2 The Commission shall not deny issuance or renewal of a radio license to an applicant described in paragraph 17.1 of this Article unless the Commission is satisfied upon the evidence before it that the radio license must be denied because:
- (a) of unavailability of frequency spectrum;
 - (b) the need to avoid harmful interference with other telecommunications services provided by a service provider;
 - (c) issuance of the radio license would otherwise contravene a Commission statute; or
 - (d) the telecommunications license to which the radio license relates is not granted or renewed.

Article 18 Fixed and Mobile Telephone Service

- 18.1 The provisions of this Article shall apply to an individual license for the provision of fixed or mobile telephone service.
- 18.2 The re-assignment of a license requires the prior approval of the Board. The Board's decision shall be published within ninety (90) days of the submission of a complete application.
- 18.3 The Board may amend a license if:
- (a) the licensee has applied for an amendment;
 - (b) changes to international or regional treaties, regulations, recommendations, and standards or the laws of the Kingdom require an amendment; or
 - (c) the amendment is necessary in order to carry out the objectives of Article Three of the Act.
- 18.4 The Board may renew a license in accordance with the Commission statutes. A service provider shall apply to the Commission for the renewal of its license prior to its expiry and in accordance with its license.
- 18.5 The Board may amend, suspend, revoke, or refuse to renew a license for reasons which may include, but shall not be limited to, the following:
- (a) repeated violations of a basic licensing condition;
 - (b) failure to pay licensing or other fees required by the Commission;
 - (c) repeated failure to comply with duly issued decisions of the Commission;
 - (d) failure to operate under the license within one year from the date of its issue;
 - (e) carrying out activities prejudicial to the public interest;
 - (f) bankruptcy, dissolution and/or liquidation of the licensee; or
 - (g) re-assignment of the license without the consent of the Commission.
- 18.6 Prior to amendment, renewal, suspension or revocation of a license, the Commission shall notify the licensed service provider in writing that it is considering the relevant action. The notice:

- (a) shall give the service provider sufficient time to prepare comments on the relevant action;
 - (b) shall set out any procedures the Commission will use in considering the relevant action; and
 - (c) may invite comments from other concerned parties.
- 18.7 If the Board amends, suspends or revokes, or does not renew, a license, it shall give the service provider sufficient time to comply with the decision and shall make arrangements to ensure continuity of service to users.
- 18.8 The Commission may issue a decision establishing further procedures to amend, renew, suspend or revoke a license.
- 18.9 A decision by the Board to amend, renew, suspend or revoke an individual license for the provision of fixed or mobile telephone services is subject to approval by the Minister.

Article 19 Other Individual Licenses

- 19.1 The provisions of this Article shall apply to an individual license other than an individual license for fixed or mobile telephone service.
- 19.2 The re-assignment of a license requires the prior approval of the Board. The Board's decision shall be published within ninety (90) days of the submission of a complete application. The Rules of Procedure shall set out the procedure for applications.
- 19.3 The Board may amend a license if:
- (a) the licensee has applied for an amendment;
 - (b) changes to international or regional treaties, regulations, recommendations, standards or the laws of the Kingdom require an amendment; or
 - (c) the amendment is necessary in order to carry out the objectives of Article Three of the Act.
- 19.4 The Board may renew a license in accordance with the Commission statutes. A service provider shall apply to the Commission for the renewal of a license prior to its expiry and in accordance with its license.
- 19.5 The Board may not renew, or amend, or suspend, or revoke a license for reasons which

may include but shall not be limited to the following:

- (a) repeated violations of a basic licensing condition;
- (b) failure to pay licensing or other fees required by the Commission;
- (c) repeated failure to comply with duly issued decisions of the Commission;
- (d) failure to operate under the license within one year from the date of its issue;
- (e) carrying out activities prejudicial to the public interest;
- (f) bankruptcy, dissolution and/or liquidation of the licensee; or
- (g) re-assignment of the license without the consent of the Commission.

19.6 Prior to amendment, renewal, suspension or revocation of a license, the Commission shall notify the licensed service provider in writing that it is considering the relevant action. The notice:

- (a) shall give the service provider sufficient time to prepare comments on the relevant action;
- (b) shall set out any procedures the Commission will use in considering the relevant action, and
- (c) may invite comments from other concerned parties.

19.7 If the Board amends, suspends or revokes, or does not renew, a license, it shall give the service provider sufficient time to comply with the decision and shall make arrangements to ensure continuity of service to users on such terms and conditions as it deems appropriate.

19.8 The Commission may issue a decision establishing further procedures to amend, renew, suspend or revoke a license.

Article 20 Class Licenses

20.1 The Commission may issue a class license for a term not to exceed twenty-five (25) years.

- 20.2 The Commission may review the terms and conditions of a class license at any time and shall review the terms and conditions of each class license within five (5) years of the date of its issuance.
- 20.3 When conducting a review under paragraph 20.2 of this Article, the Commission shall give written notice to the registrants under the class license being reviewed.
- 20.4 The Commission may amend or revoke a class license if:
- (a) A registrant under a class license has applied for an amendment or a revocation;
 - (b) changes to international or regional treaties, recommendations, and standards or the laws of the Kingdom require an amendment or a revocation; or
 - (c) the amendment or revocation is necessary in order to carry out the objectives of Article Three of the Act.
- 20.5 Prior to amendment or revocation of a license pursuant to this Article, the Commission shall notify the licensed service provider in writing that it is considering the relevant action. The notice:
- (a) shall give the registrants under the class license sufficient time to prepare comments on the relevant action;
 - (b) shall set out any procedures the Commission will use in considering the relevant action, and
 - (c) may invite comments from other concerned parties.
- 20.6 If the Commission amends or revokes a class license pursuant to this Article, it shall provide registrants with sufficient time to comply with the amendment or revocation.
- 20.7 The Commission may renew a class license in accordance with the Act and this Bylaw. If the Board is considering renewing a license pursuant to this Article, the Commission shall publish a notice setting out the procedure and may hold a public consultation. The notice shall provide the registrants under the class license sufficient time to prepare comments.
- 20.8 Where a class license is revoked or not renewed, the Commission shall ensure continuity of service to users on such terms and conditions as it deems appropriate.
- 20.9 The Commission may issue a decision establishing further procedures to renew, amend or revoke a class license.

Article 21 Registrations Under Class Licenses

- 21.1 The Commission may revoke a registration under a class license. Reasons for revocation may include, but shall not be limited to the following:
- (a) repeated violations of a material licensing condition;
 - (b) failure to pay fees required by the Commission;
 - (c) failure to comply with duly issued decisions of the Commission;
 - (d) failure to provide the licensed service or operate the licensed network within one (1) year of registration;
 - (e) carrying out activities prejudicial to the public interest;
 - (f) bankruptcy or liquidation of the service provider; or
 - (g) re-assignment of the license without the Commission's approval.
- 21.2 If the Commission is considering the revocation of a registration pursuant to this Article, the Commission shall publish a notice setting out the procedure and may hold a public consultation. The notice shall provide the registrant sufficient time to prepare comments. If the Commission revokes a registration, it shall provide the registrant with sufficient time to comply with the revocation and shall ensure continuity of service to users on such terms and conditions as it deems appropriate.
- 21.3 The Commission may issue a decision establishing further procedures to revoke a registration under a class license.

Article 22 National Telecommunications Registry

- 22.1 The Commission shall maintain and publish a National Telecommunications Registry.
- 22.2 The National Telecommunications Registry shall contain:
- (a) the full text of all licenses and registrations under class licenses;
 - (b) decisions;
 - (c) all type approvals and technical standards prescribed by the Commission;
 - (d) Reference Interconnection Offers;

- (c) interconnection agreements as described in Article 42 of this Bylaw;
- (f) a list of all fees set pursuant to a Commission statute; and
- (g) the National Frequency Register.