

Communication Services License for Telecommunication, Mobiles and Internet Companies

Regulatory Board Directorate

Ministry of Telecommunication

Pul-e- Bagh Omomi

Telephone numbers: 2101179

Law: Law on Communication Services Management

Documentation required:

1. Application letter from the investor requesting participation in bidding for a license.
2. Proposal from the investor containing a business plan and technical specifications given by the investor.

The time period for approval cannot be estimated closely. The application requires six signatures with the Minister Communications having the final signature.

Cost (Fee):

The cost of license according to the highest proposed fee to date is \$40,100,000.

List of Fess and amounts:

- \$180,000 annual administrative fees.
- 10% tax from company's net income paid to the MoF.
- 2% tax from company's net income paid to TSMD (Telecommunications Services Managing Directorate).
- 2.5% tax from company's net income for purposes developing and extending the communication services throughout the country (remote areas) paid to TSMD.

The license has to be renewed each year. The renewal cost of a telecommunication company's license is \$180,000. The renewal process is not the same as that of the initial license: only the payment of a renewal fee is required.

Step by Step procedure:

Global System for Mobile Communications (GSM)

1. The Telecommunication Services Managing Directorate first conducts a press conference in order to increase the level of competition, build the quality of services and develop the telecommunications networking of the country. This press conference is announced publicly in accordance with plans formulated by the Ministry of Telecommunications regarding the issuance of licenses. For example, the Ministry of Telecommunications may want to issue two mobile service provider's licenses to two most successful operators. This announcement will be advertised in the media and on TV. As well, this announcement, along with an invitation to tender (conditions and details of tender) will be posted on the relevant website.
2. Telecommunication companies or operators will observe the advertisement and study the specifications on the MoTCs' tender notice.
3. If the specifications and the proposed conditions of the Telecommunication Services Managing Department are accepted by companies, they submit their applications to the TSMD to be considered in the bidding.
4. The TSMD will set a closing date for the submission of proposals for those companies that have a Business Plan and Technical Specifications. Companies should submit their proposals before or on the closing date.
5. Then the TSMD will appoint experts for a temporary period to assess and analyse the proposals against the proposed systems. The expert will assess and analyse the proposals and present his/her final views and determinations of the successful companies.
6. The views of that expert on successful companies will be taken up to the Minister of Telecommunications by the TSMD. The Minister of Telecommunications then invites the Ministerial Committee, which consists of the Ministers of Commerce, Finance, the Economy, Justice, and Telecommunications and the President Adviser on Economy, to attend the winner company announcement meeting. The meeting will be inaugurated by the Minister of Telecommunication. The Minister of Telecommunications will open the envelopes of financial offers of the selected companies (the highest proposed fee of license) which companies already had submitted in front of representatives of the selected companies.
7. The company which has proposed the highest fee will be announced as a winner company.

8. After approval of the Ministerial Committee, the Telecommunication Minister instructs the TSMD to prepare the licenses for signing.
9. The TSMD prepares the license in two copies which will contain the commitments and all terms and conditions.
10. The winning companies transfer the cost (license fee) from its own account in a foreign bank to the Telecommunication Ministry's bank account.
11. Then to validate the license both the Minister of Telecommunications and director of the winning companies to whom the licenses are to be issued will sign each of those copies.
12. After the license is signed, the TSMD officially introduces the winning companies to AISA to obtain their investment licenses.

The process for issuance of license for fixed local service providers:
(Local Fixed Service Provider (LFSP))

The process of issuance of this license is the same as above with the exception that the proposals are evaluated and analyzed by the TSMD. After the evaluation, the results and recommendation will be proposed to the Ministerial Committee and the license will be ready when it has been approved by the MC. The company must already pay its fee (50000 Afghanis /district) in the bank account of Ministry of Telecommunications. The annual fee of this license is Afs. 50,000 /district which is exempted for the first year.

The license will be valid after being signed by the in charge of the company and a representative of Ministry of Telecommunication who has been assigned by the Minister.

The process for issuance of license for Internet Service Providers:
Internet Service Provider (ISP)

1. First a company submits an application requesting a license for provision of internet services to TSMD or Minister of Telecommunications.
2. Then the company is asked to show its business plan. Company's business plan and other related documents are evaluated by the licensing section of TSMD.
3. If the company documents are complete and acceptable, then it will be presented to the members of regulator board for a review. After approval or corrections made by the Board's members, the Board will conduct a decision making meeting at which the Board decides which type (national, local or regional) of license should be issued to the company and, based on the type of license, its payment category is determined and collected.

4. Then the license is validated and distributed to the company after being signed by the head of the company and an authorized representative of TSMD. Payments will officially be sent to the Finance Directorate and are as follows:

Categories	At a national level	At a regional level	At a local level
Bank collateral	Afs. 1,000,000	Afs. 500,000	Afs. 250,000
Cost (fee) of License only once	Afs. 1,000,000	Afs. 500,000	Afs. 250,000
Annual Admin Fee	Afs. 600,000	Afs. 300,000	Afs. 15,000