

GUIDELINES ON THE SUBMISSION OF APPLICATION FOR THE GRANT OF LICENCE FOR THE USE OF SATELLITE ORBITAL SLOT

1. INTRODUCTION

- 1.1. In order to ensure the efficient use of satellite orbital slots and to avoid harmful interference between satellite networks utilising the orbital slots, the International Telecommunication Union (“**ITU**”) has set out procedures and provisions in the ITU Radio Regulations (“**RR**”) for the registration, coordination and operation of satellite networks¹.
- 1.2. Under the ITU RR, a satellite network filing may only be submitted to ITU by an administration of an ITU Member State. IDA represents Singapore in the ITU and acts as the notifying administration for any satellite network filing to be submitted by Singapore under the ITU RR. Entities interested in submitting satellite network filing(s) to the ITU may therefore submit a request to IDA to notify the ITU of the filing.
- 1.3. These Guidelines set out the licence application procedures, requirements and the licence fees that will apply.
- 1.4. The provisions in these guidelines are advisory and they do not impose any binding legal obligations on IDA.
- 1.5. The detailed satellite network filing activities carried out by the IDA may be found in the **Guidelines on Satellite Network Filing**.

2 LICENSING FRAMEWORK FOR THE USE OF SATELLITE ORBITAL SLOT AND GRANT OF LICENCE

- 2.1 Entities interested in submitting satellite network filing(s) to the ITU for the use of a satellite orbital slot and radio frequencies may submit its request to IDA. Should IDA accept the applicant’s request for IDA to submit the satellite network filings to the ITU, IDA will grant the applicant a licence for the use of the satellite orbital slot. IDA will consider the applicants’ request to submit the satellite network filing to be an application for the licence for the use satellite orbital slot. Please refer to **Annex 1** for the list of basic information to be provided in application requests.

¹ The ITU RR may be downloaded at <http://www.itu.int/pub/R-REG-RR-2012>

- 2.2 IDA will evaluate a filing request based on its merits. IDA will take into account whether the applicant has the required technical, financial and legal credentials to construct, launch and operate the proposed satellite system in conformity with its business plan. IDA will also consider the benefits that will be brought by the applicant to the industry, consumers and the economy of Singapore as a whole. In particular, IDA will consider the following:
- (a) Vision of the applicant;
 - (b) Organisation structure and financial capability and strength of the applicant (in particular, the decision-making authority of the Singapore entity and the significance of the Singapore office in the applicant's overall corporate structure);
 - (c) Technical soundness of the applicant's plans and technical capability to implement the plans, including the procurement of satellite, procurement of launch of satellite, arrangement for insurance, coordination and registration of satellite network in accordance with the regulations of the ITU;
 - (d) How the satellite system will benefit the industry, consumers and/or the economy of Singapore (including development and acquisition of new capabilities and know how in Singapore);
 - (e) Commitment(s) of the applicant in fulfilling its vision and plans;
 - (f) The track record(s) of the applicant; and
 - (g) Any other information provided by the applicant.
- 2.3 The Licensee shall be a company incorporated under the Companies Act (Cap. 50).
- 2.4 The coverage area of the satellite network(s) to be filed with ITU shall include the whole of Singapore territories².
- 2.5 The Telemetry, Tracking & Command and Network Operations Centre of the satellite network operating in the licensed orbital slot must be located in Singapore. The Licensee is required to apply for a Satellite Communication Station Licence³ for every satellite earth station that it establishes in Singapore.

² Include the whole island of Singapore, the offshore islands and territorial waters up to 15 km from the coastline of the island of Singapore.

³ The licensee may refer to the application guidelines for a Satellite Communication Station Licence at http://www.ida.gov.sg/~media/Files/Archive/Policies%20and%20Regulation/Policies_and_Regulation_Level2/Guidelines%20on%20Licensing%20Scheme/GuideSateComm.pdf

- 2.6 The Licensee shall effectively own at least 50% of the satellite to be operated in the slot throughout the duration of the licence.
- 2.7 The Licensee shall possess the sufficient technical expertise, technical capability (e.g. understanding of satellite technical parameters) and have the necessary experience in the establishment and operation of satellite networks. The Licensee must have the capability to modify or cease the transmissions to and from earth stations operating within the satellite network(s) upon the request of IDA in the event of unacceptable interference caused to an existing network.
- 2.8 The Licensee shall be familiar with the prevailing regulations of the ITU and be conversant with the rules and procedures of the ITU RR in relation to the application, co-ordination and the bringing into use of satellite network(s).
- 2.9 The Licensee shall be responsible for the accuracy and completeness of all the information required for the satellite network filing(s).

3 LICENCE FEES AND DURATION

- 3.1 The licence fee for the use of satellite orbital slot will be charged according to whether co-ordination with other administrations is required for the frequency assignment. A successful applicant shall pay the applicable licence fees at the point of licensing and prior to any satellite network filing submission to the ITU. Successful applicants shall pay to IDA the relevant licence fees as stipulated below.

Licence Fees	
<u>Annual Fee</u>	
Satellite orbital slot with frequency assignment(s) for which co-ordination is mandatory	S\$80,000 for the first satellite orbital slot filed and S\$10,000 for every subsequent satellite orbital slot filed.
Satellite orbital slot with frequency assignment(s) for which co-ordination is non- mandatory	S\$4,000 for the first satellite orbital slot filed and S\$500 for every subsequent satellite orbital slot filed.
<u>Variable Fee</u>	
ITU's Processing Fees for each applicable satellite network filing submission (to be paid by licensee directly to the ITU).	Subject to the costs imposed by the ITU
Co-ordination meeting(s) with other administrations that requires IDA's presence	S\$30,000 per meeting and S\$3,000 per calendar day for the duration of the meeting ⁴ .
<u>Licence Duration</u>	
15 years, renewable for a further period as IDA thinks fit.	

3.2 Licensees are required to pay any processing fees charged by the ITU⁵ (**ITU Processing Fees**) in relation to the applicable satellite network filing(s). As the invoices will be sent to IDA by the ITU, IDA will forward these to the licensee. On receipt, the licensee shall make the payment directly to the ITU by the required date and shall notify IDA that the payment has been made. If any payment due to the ITU for a satellite network filing is not made to the ITU by the required date, the ITU may cancel the satellite network filing and any corresponding entries in the ITU Master Register. Notwithstanding the cancellation of the filing, any fees owed to the ITU for processing the filing are still payable to the ITU by the licensee.

⁴ Please note that IDA will not pro-rate the fees for meetings that are not full-day events.

⁵ The ITU charges fees for the processing satellite network filings on a cost recovery basis in accordance with the provisions of ITU Council Decision 482 as may be amended from time to time. Detailed arrangements for the implementation of these cost recovery charges are available from the ITU.

4 LICENCE APPLICATION PROCEDURES

- 4.1 Each applicant shall submit a copy of its request under a confidential cover with the title clearly marked as “APPLICATION FOR THE GRANT OF LICENCE FOR THE USE OF SATELLITE ORBITAL SLOT”. Each applicant shall include all the basic information requested for in **Annex 1** of these Guidelines and submit its application to IDA at the following address:

Info-communications Development Authority of Singapore
10 Pasir Panjang Road
#10-01 Mapletree Business City
Singapore 117438
(Attn: Deputy Director-General (Telecoms & Post))

- 4.2 Each application shall include a contents page and an executive summary highlighting the main points and salient features of the proposal. Each submission shall also include one set of CD/DVD containing the application. Applicants should use at minimum Microsoft Word 97 and Microsoft Excel 97 for their text and spreadsheets.
- 4.3 IDA reserves the right to disclose any information submitted by the applicant where IDA deems necessary for purposes of clarifying the licences awarded. All other information will be treated in confidence.
- 4.4 IDA may seek clarification and additional information from the applicant arising from an application. Each application shall include an address, contact telephone and facsimile numbers, and the name and designation of the contact person for communication with IDA.
- 4.5 The Licensee shall seek prior approval from IDA for any subsequent changes to the scope of its licensed operations and services. Any changes in the information contained or provided in the application, and subsequent information provided to IDA must be immediately notified to IDA.
- 4.6 Any comments, queries or clarifications should be submitted in writing and addressed to the following:

Info-communications Development Authority of Singapore
10 Pasir Panjang Road
#10-01 Mapletree Business City
Singapore 117438
(Attn: Deputy Director-General (Telecoms & Post))

Notes:

- 1** This document has no legal standing and is not intended as a substitute for legal advice. While every effort has been made to provide an accurate and authoritative account of the licensing regime, the licence(s) to be granted to successful applicants will be the complete authoritative text.
- 2** The information contained in this document is intended to assist interested parties in applying for the relevant licences. It does not bind IDA to any particular course of action in relation to the handling of any application, or to the terms of any licence to be granted, or to grant any licence to any party. IDA reserves the right to change its policies and/or to amend this document without prior notice.
- 3** The grant of a licence is at the sole discretion of IDA. IDA reserves the right not to accept any application submitted. IDA will undertake to explain to the applicant concerned, on the applicant's request, why the applicant is unsuccessful in its application for a licence.
- 4** IDA reserves the right to disclose the identities of parties who have submitted applications. All other information received will be treated in confidence.

ANNEX 1
INFORMATION TO BE PROVIDED IN APPLICATION FOR THE GRANT OF
LICENCE FOR THE USE OF SATELLITE ORBITAL SLOT

1. Vision and Basis of Request

1.1. The applicant shall outline its own vision and how its proposal will bring benefits to the industry, consumers and the Singapore economy as a whole. In addition, the applicant shall provide its reasons for choosing Singapore as its notifying administration.

2. Organisational Structure, Financial Capability and Strength

2.1. The applicant shall provide information on:

- (a) the detailed ownership structure of the satellite(s) operating in the applied satellite orbital slot;
- (b) the nature and structure of the applicant (for consortium members or single entity) in terms of whether:
 - (i) it has any subsidiary or associated companies, joint ventures and trusts;
 - (ii) It is a subsidiary or associated company;
 - (iii) it is a private or public entity; and
 - (iv) if public, details of public listings;
- (c) the applicant shall provide details:
 - (i) of the track record of the consortium partners and/or other relevant parties;
 - (ii) on how it will apply and leverage on any relevant experience and expertise from consortium partners or other relevant parties which it commits to Singapore, highlighting how these will give it a strategic or competitive advantage; and
 - (iii) on how it will help develop and acquire new capabilities and know how in Singapore.
- (d) the corporate and shareholding structure of the applicant clearly indicating the ultimate ownership, both direct and indirect;

- (e) details of the composition of the Board of Directors and management structure, this includes the curricular vitae of the Directors and Chairman of the Board as well as the Chief Executive Officer;
- (f) the decision-making authority of the Singapore entity and the significance of the Singapore office in the applicant's overall corporate structure;
- (g) details of principal contractors; and
- (h) applicant shall submit the following documents:
 - (i) photocopies of the company's incorporation documentation under the Companies Act (Cap. 50) including certified copies of the company's Memorandum and Articles of Association;
 - (ii) authorised, issued and paid-up capital and relevant certificates indicating the amounts;
 - (iii) bankers' confirmation of deposits and/or available credit facilities;
 - (iv) copies of detailed audited accounts of the applicants (i.e. profit and loss accounts, balance sheets, cash flow statements and auditors' reports) for the last three financial years;
 - (v) latest interim results of the applicant;
 - (vi) budgeted projections of the applicant for the next three years(i.e. profit and loss accounts, balance sheets and cash flow statements); and
 - (vii) a schedule of financial debts, obligations and contingent liabilities of the applicant for the next three years.

2.2. The applicant shall provide its business, financial and funding plans of its proposed investment for the first 8 years of operation from the grant of licence, including:

- (a) detailed business plans, including the profit and loss accounts, balance sheets and cash flow statements. The profit and loss accounts, balance sheets and cash flow statements shall be prepared in accordance with the Singapore Statements of Accounting Standards. All assumptions used (e.g. asset depreciation policies, subscriber projections, annual increase/decrease in operating expenditure) shall be clearly explained;

- (b) business plan of the applicant setting out the key milestones of the project;
- (c) financial ratios including return on assets, return on equity, operating profit margin, net profit margin, current ratio, quick ratio and debt-equity ratio. The formula used in computing each ratio should also be provided;
- (d) forecasts of the internal rate of return, net present value and payback period of the investment. In addition, the net present value at 10%⁶ and corresponding payback period shall be computed. The rate of return normally required by the applicant for capital invested shall also be provided (i.e. the hurdle rate);
- (e) a detailed plan of all capital expenditure and working capital requirements for the first 5 years of operation; and
- (f) details of the proposed financing plan, including:
 - (i) the proposed sources of funds and the amounts from each source;
 - (ii) timing of funding initiatives and injection of funds;
 - (iii) planned repayment terms and schedule for loans, loan stock and debentures;
 - (iv) credit facilities available; and
 - (v) provisions made for contingent sources of funds. Where relevant, letters of intent, guarantor letters and other documents should be provided to substantiate the financing plan and loan/credit facilities.

2.3. The applicant shall specify the costs incurred in launching and maintaining the operation of the satellite network and demonstrate that it has sufficient financial backing, either by its own capital or the capital of its shareholders to carry out the activities to be licensed.

3. Technical Information

3.1. The applicant shall provide the technical information as below:

⁶ 10% takes into consideration the average cost of capital in international capital markets. Applicants may propose other values more appropriate for their specific circumstances.

- (a) the technical parameters for the space object(s) to be operating in the orbital slot(s). Please note that the technical parameters designed for the space object(s) shall comply with relevant ITU and international regulations;
 - (b) the technical characteristics of the network;
 - (c) the types of services to be provided;
 - (d) the serving area(s) of the satellite system(s); and
 - (e) the contingency measures to cope with different unforeseeable circumstances (e.g. launch failure, etc).
- 3.2. The satellite network(s) that is to be submitted to ITU through IDA shall be in accordance with the format required by the ITU Space Service software (<http://www.itu.int/en/ITU-R/software/Pages/spacecap.aspx>). All relating correspondences that are to be submitted to IDA shall be in electronic format.
- 3.3. The applicant shall also:
- (a) Submit a broad network rollout plan and its strategy to implement the plan;
and
 - (b) Demonstrate its technical experience and capability in the relevant technical areas and/or access to such technical expertise and experience, including managerial expertise.
- 4. Any other relevant information**
- 4.1. The applicant may submit any information not specified above which it considers supportive of its application.