# LICENCE TO PROVIDE POSTAL SERVICES GRANTED BY THE INFO-COMMUNICATIONS DEVELOPMENT AUTHORITY OF SINGAPORE TO [LICENSEE NAME] UNDER SECTION \_\_\_ OF THE POSTAL SERVICES ACT (ACT \_\_ OF 2007) ON [DATE]

**ISSUED ON [DATE]** 

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## POSTAL SERVICES ACT 2007 (ACT \_\_ OF 2007)

# LICENCE TO PROVIDE POSTAL SERVICES GRANTED TO [LICENSEE NAME]

The Info-communications Development Authority of Singapore, in exercise of the powers conferred by section \_\_ of the Postal Services Act 2007 (Act \_\_ of 2007), hereby grants to [Licensee Name] this Licence to provide the postal services for the conveyance of letters not exceeding 500 grammes in weight specified in Schedule A (including the incidental services of receiving, collecting, sorting, sending, despatching and delivering letters), subject to the following conditions:

#### PART I: CONDITIONS OF GRANT

#### 1. Commencement, duration and renewal of Licence

- 1.1 This Licence shall enter into force on the date hereof and shall be valid for a period of 10 years.
- 1.2 This Licence may be renewed for such further periods as IDA thinks fit subject to such conditions as may be specified by IDA under section 8 of the Act.

#### 2. Payment of licence fee

2.1 The Licensee shall pay to IDA an annual licence fee which is 0.4% of the annual audited gross turnover ("AGTO") based on the provision of the Services during the Licensee's financial year, subject to a minimum of \$4,000.

- 2.2 IDA shall forfeit the fees payable under condition 2.1 if the Licensee withdraws its acceptance of this Licence after the grant of this Licence or this Licence is terminated or cancelled at any time during the term of this Licence.
- 2.3 For the first year of operation, the minimum fee of \$4,000 shall be paid to IDA within 2 weeks of the grant of this Licence and shall be adjusted at the end of the Licensee's financial year based on the Licensee's audited accounts submitted to IDA.
- 2.4 For subsequent years, the annual licence fee, based on the last available audited accounts and subject to the minimum of \$4,000, shall be paid in advance on the first day of the Licensee's financial year and adjusted when more recent audited accounts are available.
- 2.5 For the purposes of conditions 2.3 and 2.4, the Licensee shall submit an audited AGTO statement to IDA not later than 4 months after the end of each financial year.
- 2.6 In the event that the Licensee fails to submit the required AGTO statement within the timeframe stipulated in condition 2.5, the Licensee shall be under a continuing obligation to submit the same immediately notwithstanding any penalties imposed by IDA for breach of condition 2.5 or this condition.
- 2.7 In the event of a default by the Licensee in the payment of any fee when due under this Licence, the Licensee shall pay to IDA interest on the amount from time to time outstanding in respect of the overdue sum from the period beginning on its due date and ending on the date of its receipt in full by IDA, which interest shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed and a 365 day year. The applicable rate of

interest shall be the average of the prevailing prime lending rates of the banks and finance companies quoted and published by the Monetary Authority of Singapore.

#### 3. No assignment, transfer, etc. without approval

- 3.1 The Licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges under this Licence to any person except with the prior written approval of IDA
- 3.2 Any approval under condition 3.1 shall be given subject to such terms and conditions as IDA may at its discretion impose.

#### 4. Description of the Services

- 4.1 The Licensee shall provide the Services as described in Schedule A.

  The Licensee shall not provide any licensable postal service that is not described in Schedule A except with the prior written approval of IDA.
- 4.2 If the Licensee wishes to provide a new licensable postal service or makes changes to any Service, the Licensee shall provide IDA with such information as may be required by IDA within such period as may be specified by IDA and shall propose any necessary amendments to Schedule A.
- 4.3 Notwithstanding condition 30.1, in the event IDA agrees to an amendment to Schedule A proposed by the Licensee under condition 4.2, the amendment shall, subject to any mutual agreement, take effect immediately upon IDA's written notification to the Licensee.

- 4.4 In conditions 4.1 and 4.2, "licensable postal service" means a postal service for the conveyance of letters that may only be provided pursuant to a licence issued under the Act.
- 4.5 Nothing in this Licence permits or authorises the Licensee to provide an express letter service as defined in the Postal Services (Class Licence) Regulations 2005 (S 481/2005). For the avoidance of doubt, the Licensee is required to comply with the requirements of the said Regulations in the event the Licensee wishes to provide such an express letter service.

#### 5. Licence application proposals

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

#### 6. Performance bond

- 6.1 The Licensee shall, within 28 days of the grant of this Licence and on a yearly basis thereafter, provide IDA with a performance bond to secure the obligations of the Licensee under Schedule B of this Licence. The performance bond shall be in the form of a Banker's Guarantee for the sum of [\$200,000 / \$300,000] made in favour of IDA and upon such terms and conditions as may be specified by IDA.
- In the event IDA calls upon the performance bond provided under condition 6.1 due to a failure by the Licensee to perform its obligations under Schedule B of this Licence, the Licensee shall, within 28 days of such call, provide IDA with a replacement performance bond, in the form of a Banker's Guarantee which

complies with condition 6.1, to secure the Licensee's remaining and continuing obligations under Schedule B.

6.3 The Licensee shall not be released from any of its obligations under this Licence by any breach or forfeiture of a performance bond provided under condition 6.1 or 6.2. IDA may exercise its rights under conditions 6.1 and 6.2 notwithstanding any penalty imposed by IDA under section \_\_ of the Act in respect of any breach of this Licence by the Licensee.

#### PART II: SERVICE OBLIGATIONS

#### 7. Provision of domestic services

7.1 The Licensee shall deliver letters that are addressed to any person or premises at a valid address in Singapore which the Licensee has accepted for delivery under this Licence.

#### 8. Payment modes, impressions and postage stamps

- 8.1 The Licensee shall obtain IDA's written approval not less than 1 month before using any pre-payment modes for collection of payments from its customers.
- 8.2 The Licensee shall not issue any prepaid impression or postage stamp bearing the word "Singapore" in any language.
- 8.3 The Licensee shall not issue or permit the use of any franking machine impression that bears the word "Singapore" in any language.
- 8.4 The Licensee shall obtain IDA's written approval for the designs of each of its prepaid impressions and postage stamps before any

commercial launch or announcement of any such impression or stamp.

8.5 Notwithstanding any approval by IDA under condition 8.4, IDA may direct the Licensee to withdraw any prepaid impression or postage stamp issued by the Licensee should the design of the impression or stamp be found to be objectionable or prohibited under any written law in force in Singapore.

#### 9. Licensee's identifier mark

- 9.1 The Licensee shall mark all letters being conveyed by the Licensee under this Licence with an identifier mark that complies with condition 9.2 and is registered with IDA under condition 9.3. The identifier mark may be affixed to or impressed or printed on the envelope or packaging of the letters being so conveyed.
- 9.2 For the purposes of condition 9.1 an identifier mark:
  - may, subject to any other applicable laws, comprise any name, logo mark of design that uniquely identifies the Licensee;
  - (b) shall clearly indicate to members of the public that the letters bearing the mark have been handled by the Licensee for the purpose of being conveyed under this Licence; and
  - (c) shall comply with any other requirements by IDA from time to time in writing.
- 9.3 The Licensee shall submit its identifier mark for registration by IDA not less than 1 month before use. IDA may, as it deems appropriate,

reject a mark submitted for registration or deregister a registered mark and shall notify the Licensee accordingly in writing. Upon any such notification, the Licensee shall cease using such mark for the purposes of condition 9.1. For the avoidance of doubt, a Licensee shall not provide any postal services for the conveyance of letters under this Licence until and unless its identifier mark is registered and continues to be registered with IDA under this condition.

9.4 The Licensee shall publish its identifier mark, as accepted for registration by IDA under condition 9.3, for public information.

#### 10. Impression, Stamp and Identifier Mark Design Guidelines

The Licensee shall comply with the practices, principles and requirements set out in the Impression, Stamp and Identifier Mark Design Guidelines established and issued by IDA from time to time.

#### 11. Postal codes

11.1 The Licensee shall not issue or require customers of the Services to use any postal codes that differs from the Singapore postal codes formulated and issued by the designated public postal licensee.

#### 12. Misuse of posting boxes

12.1 The Licensee shall not place any letters that it has received for delivery under this Licence into another postal licensee's posting box for delivery by that postal licensee except with valid payment or by agreement with that licensee.

#### 13. Access to P.O. boxes

- 13.1 The Licensee must provide other persons holding a Postal Services Operator licence with sufficient access to its P.O. boxes so as to enable the other person to deliver postal articles to its P.O. boxes. Such access must be provided in an efficient, timely and non-discriminatory manner. IDA reserves the right to require the Licensee to obtain IDA's prior written approval on any charges, terms and conditions it intends to impose in respect of such access to its P.O. boxes.
- In condition 13.1, "P.O. box" includes a P.O. box or a mailbox provided by the Licensee at a post office or any other premises.

#### 14. Safeguarding mail integrity

14.1 The Licensee shall establish, maintain and comply with appropriate measures and procedures to ensure that the risk of loss, theft and damage to letters received by the Licensee for delivery under this Licence, whether occurring during the receiving, collecting, sorting, sending, despatching or delivery of such letters by the Licensee, is minimised.

## 15. Price control, tariffing arrangements and quality of service standards

- 15.1 IDA reserves the right to establish price control arrangements and quality of service standards for the Services provided by the Licensee with which the Licensee shall comply.
- 15.2 IDA reserves the right to require the Licensee to maintain separate financial data and accounts for the Services and to submit, on request, these data and accounts to IDA for inspection.

15.3 IDA reserves the right to require the Licensee to file its schemes of service, including non-price terms and conditions for the provisioning of services and price schemes with IDA before commercial launch or announcement of such services.

#### 16. Publication of charges, terms and conditions

16.1 The Licensee shall publish information about the Services including, inter alia, descriptions and pricing of the Services, the terms and conditions thereof and the Licensee's procedures for handling undeliverable letters.

#### 17. Confidentiality of customer information

- 17.1 The Licensee shall respect and ensure the confidentiality of customer information except under the following circumstances:
  - (a) where sharing of information with other postal licensees is necessary to detect, prevent or investigate fraud; or
  - (b) where disclosure is deemed necessary by IDA or the relevant law enforcement or security agencies to carry out their functions or duties.

#### 18. Restriction against undue preference and undue discrimination

The Licensee shall not show undue preference towards, or exercise undue discrimination against, any person or class of persons in, *inter alia*, the price and performance characteristics of the Services or the terms and conditions under which the Services are provided. In particular, the Licensee shall not give any undue preference to, or receive an unfair advantage from, a business carried on by it or an

associated or affiliated company, service or person, if IDA is of the opinion that the Licensee's competitor could be placed at a significant competitive disadvantage or that competition would be prevented or substantially restricted.

## 19. Restriction against anti-competitive agreements and arrangements

19.1 The Licensee shall not enter into any agreement or arrangement, whether legally enforceable or not, which shall in any way prevent or restrict competition in relation to the Licensee's postal operations or Services or any other postal services licensed by IDA.

## 20. Restriction against exclusive agreements or arrangements for international services

- 20.1 The Licensee shall not enter into any agreement or arrangement with a person running an Authorised Overseas System on terms or conditions which unfairly preclude or restrict, to the detriment of the national or public interest, the provision of any international postal services by any person licensed by IDA to provide those services.
- In condition 20.1, "Authorised Overseas System" means a system, which is recognised by the government or any competent authority of a foreign country as authorised to provide postal services by or through that system.
- 20.3 The Licensee shall comply with IDA's requirements on the international settlement regime and shall seek IDA's written endorsement or approval for arrangements reached with other postal licensees, before implementation.

#### 21. Contracts with third parties to operate or provide the Services

- 21.1 Where the Licensee intends to enter into any joint venture, association, contract or arrangement with a third party, the effect or purported effect of which would be to permit a person who is not originally a party to this Licence to share in the benefits of, or otherwise gain any rights or privileges under this Licence, or which would otherwise result in a breach or circumvention of condition 3.1, the Licensee shall obtain IDA's written approval before entering into the joint venture, association, contract or arrangement in question.
- 21.2 IDA may, at any time, direct the Licensee to effect any changes it deems necessary to the terms and conditions of the joint venture, association, contract or arrangement referred to above.
- 21.3 If the Licensee does not, for any reason, effect the necessary changes referred to in condition 21.2, IDA may direct the Licensee to terminate any such joint venture, association, contract or arrangement.
- 21.4 Nothing in condition 21.1 shall be construed as requiring the Licensee to obtain the written approval of IDA for the appointment of agents or for the employment of independent contractors or subcontractors to carry out any works or provide any services which enable the Licensee to discharge its obligations under this Licence provided that the Licensee shall be liable to IDA for any act, omission, default, neglect or otherwise of the agents and independent contractors or sub-contractors in carrying out any such works or providing any such services.

#### PART III: OTHER REQUIREMENTS FOR COMPLIANCE

#### 22. Management arrangements

The Licensee shall seek IDA's written approval at least 1 month in advance of any change in the appointment of its Chairman, Board of Directors or Chief Executive Officer and shall for this purpose provide IDA with the details of any such change and any further information requested by IDA.

#### 23. Codes of practice and guidelines

The Licensee shall comply with the codes of practice issued by IDA from time to time under the Act as well as any additional or supplemental guidelines.

#### 24. Accounting separation

24.1 The Licensee shall comply with the practices, principles and requirements set out in any Accounting Separation Guidelines established and issued by IDA from time to time, and any additional or supplemental guidelines.

#### 25. Directions by IDA

- 25.1 The Licensee shall strictly and without any undue delay comply with any directions, issued by IDA from time to time under the Act or this Licence.
- 25.2 IDA may, by notice in writing to the Licensee, vary, suspend or revoke wholly or in part any directions given by it under the Act or this Licence.

Unless otherwise expressly specified, the Licensee shall safeguard the secrecy of all directions given to it by IDA under the Act or this Licence. The Licensee shall not disclose or permit the disclosure of any of the said directions to any person not authorised to receive the same without the prior written consent of the Chief Executive Officer of IDA. The Licensee shall further take all reasonable precautions in dealing with the said directions so as to prevent any unauthorised person from having access to the same. In the event this Licence is suspended, the Licensee shall, upon written request by IDA, return to IDA all copies of all directions given to it by IDA under the Act or this Licence.

#### 26. Dispute resolution

- In the event that the Licensee fails to reach an agreement with other postal licensees on any matter relating to the requirements of this Licence or the Act, the matter shall be referred to and determined by IDA whose decision shall be binding on all parties concerned.
- 26.2 IDA reserves the right to levy a fee for work undertaken in this respect.

#### 27. Provision of information to IDA

- 27.1 The Licensee shall provide IDA with any document and information within its knowledge, custody or control, which IDA may, by notice or direction require. The Licensee undertakes to IDA that any such document and information provided to IDA shall be true, accurate and complete.
- 27.2 For the purposes of ensuring the Licensee's compliance with the conditions of this Licence, IDA may from time to time require the Licensee to arrange, at its own expense, for a separate and

independent audit of its activities. The Licensee shall, at IDA's request, submit the audited accounts and reports prepared under this condition to IDA for inspection and verification.

- 27.3 The Licensee shall keep in strict confidence any document and information furnished to or so required by IDA pursuant to Condition 27.1, as well as the fact that IDA has requested for such documents and information.
- IDA may use and disclose any such document or information provided to IDA pursuant to Condition 27.1 as IDA deems fit. Where IDA proposes to disclose any document or information obtained pursuant to Condition 27.1 and IDA considers that the disclosure would result in the release of information concerning the business, commercial or financial affairs of the Licensee or which disclosure would or could reasonable be expected to adversely affect the Licensee's lawful business, commercial or financial affairs, IDA will give the Licensee a reasonable opportunity to make representations on the proposed disclosure before IDA makes a final decision on whether to disclose the information.

#### 28. National emergency and security

- The Licensee shall co-operate with the relevant Government ministries, departments, statutory boards or official agencies in all ways possible for the provision of national security and emergency services.
- The Licensee shall, where directed by IDA, participate in any emergency activities or preparations thereof in collaboration with other relevant agencies, organisations and Government ministries and departments, in accordance with the written laws in force in Singapore.

- The Licensee shall, unless expressively notified in writing, keep in strict confidence any information or document pertaining to condition 28.2 as well as the fact that IDA has requested the Licensee to participate in such emergency activities and preparations.
- IDA, may from time to time, require the Licensee to submit to IDA for approval any changes to its postal operations, installation or plant and any service plans, together with such technical and non-technical information as may be required by IDA, at least 1 month before such change is intended to be implemented.

#### 29. International obligations

- 29.1 The Licensee shall exercise its rights and perform its obligations under this Licence in a manner which is consistent with the Government's obligations under any Convention, Agreement, Arrangement or Treaty to which Singapore is or shall become a party.
- 29.2 IDA shall notify the Licensee in writing from time to time of any such Convention, Agreement, Arrangement or Treaty to which condition 29.1 applies for its compliance.

#### PART IV: MODIFICATION, SUSPENSION AND TERMINATION

#### 30. Variation of Licence

Without prejudice to condition 4.3, IDA may, under section \_\_\_ of the Act, modify any of the conditions of this Licence by giving the Licensee at least 1 month's notice in writing. Notwithstanding

condition 30.2, such a modification shall take effect upon the expiry of the period of notice given by IDA.

30.2 If IDA modifies or amends any condition of this Licence, IDA may, at such time as IDA deems appropriate, issue an amended page to replace the relevant page of this Licence or an amended version of this Licence to consolidate all variations and amendments. The Licensee shall replace the relevant page accordingly and shall, where IDA issues an amended version of this Licence, return the earlier version to IDA.

#### 31. Termination of Licence or Services

In the event that the Licensee desires to terminate this Licence or any Services, the Licensee shall seek IDA's approval at least 6 months in advance and shall not proceed with such termination until it has obtained IDA's written approval.

#### 32. Rights upon suspension, cancellation or termination

32.1 Any suspension, cancellation or termination of this Licence shall be without prejudice to the rights and remedies which may accrue to the Licensee or IDA under this Licence or any written law as at the date of such suspension, cancellation or termination except that the Licensee shall not have the right to seek a refund of the licence fee or any other fee paid in advance.

#### **PART V: GENERAL CONDITIONS**

#### 33. Exceptions and limitations on obligations

The Licensee shall not be held to have failed to comply with its obligations in this Licence if and to the extent that IDA is satisfied that

it is prevented from complying with those obligations for any of the following reasons:

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

Provided that the Licensee shall use all reasonable endeavours to terminate with all reasonable speed the factors preventing the carrying out of its obligations and shall resume the performance of its obligations as soon as the factors which prevented the performance thereof ceases or abates.

#### 34. Compliance with the Act and other Laws

- 34.1 The Licensee shall observe and comply with the Act and all regulations issued thereunder.
- Nothing in this Licence shall be taken as discharging the Licensee from its obligations to obtain any other licences, permits or approvals that may be required under any written law in force in Singapore.

#### 35. Incorporation of Schedules

35.1 All Schedules attached to this Licence shall be construed to form an integral part of this Licence and a reference to this Licence shall include all such Schedules.

#### 36. Governing Law

This Licence shall be governed by and construed according to the Laws of Singapore.

#### 37. Service of notices

37.1 All notices under this Licence shall be in writing and shall be deemed to have been duly served if sent by hand or pre-paid post to the Licensee's registered address as lodged with the Accounting and Corporate Regulatory Authority.

#### 38. Severability

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

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Issued this	day of	7()

#### **LEONG KENG THAI**

Deputy Chief Executive Officer
Info-communications Development Authority of Singapore

#### SCHEDULE OF INTERPRETATION

- 1. In this Licence, unless the context otherwise requires:
  - (a) The following words and expressions shall have the meanings hereby assigned to them:

"Act" means the Postal Services Act 2007 (Act \_\_\_ of 2007);

"Government" means the Government of Singapore;

"IDA" means the Info-communications Development Authority of Singapore;

"Licensee" means the person to who IDA has granted this Licence; and

"Services" means the postal services for the conveyance of letters not exceeding 500 grammes in weight specified in paragraph 1.1 of Schedule A;

- (b) Any word or expression which is not otherwise defined in this Licence shall have the meaning assigned to it in the Act;
- (c) Words importing the singular shall include the plural and *vice versa*;
- (d) Any reference to the Act shall include all regulations made thereunder;
- (e) Any reference to a person shall include natural and legal persons;

Issued on [date]

- (g) Any reference to monetary amounts shall be deemed to be denominated in Singapore Dollars; and
- (h) Any reference to any Guidelines, Codes, framework or other rules or documents promulgated by IDA shall be read as a reference to such as may be amended from time to time.
- 2. The titles to the provisions of this Licence are for convenience of reference only and shall not in any way affect the interpretation of this Licence.

#### SCHEDULE A

# POSTAL SERVICES FOR THE CONVEYANCE OF LETTERS PROVIDED BY [POSTAL LICENSEE NAME]

#### 1. Postal services and services incidental thereto

- 1.1 The Services provided shall be as stated in the Licensee's licence application on [Date] and shall include:
  - (a) Conveyance, receipt, collection, sorting, sending, dispatch and delivery of letters within Singapore (Local Letters);
  - (b) Conveyance, receipt, collection, sorting sending, dispatch and delivery of letters from another country or place outside Singapore into Singapore (Incoming International Letters);
  - (c) Conveyance, receipt, collection, sorting sending, dispatch and delivery of letters from Singapore to another country or place outside Singapore (Outgoing International Letters); and
  - (d) Conveyance, receipt, collection, sorting sending, dispatch and delivery of letters between other countries or places outside Singapore through Singapore (Transiting International Letters).
- 1.2 In paragraph 1.1, "letters" means a letters which each do not exceed 500 grammes in weight.

#### 2. Additional conditions relating to specific Services

2.1 Notwithstanding anything in this Licence, in the provision of the Services described in the paragraph 1.1 (b) above, the Licensee shall not utilise

Issued on [date]

any part of a public postal licensee's postal system unless it has reached a commercial arrangement or agreement with that licensee for use of its system.

#### **SCHEDULE B**

#### PERFORMANCE BOND OBLIGATIONS

- 1. The Licensee shall perform the obligations specified in the first column of the table below.
- 2. For the purposes of the table below, the Licensee shall be deemed to have failed to meet the specified obligation if the Licensee has not delivered all letters that is has received for delivery under this Licence to the intended recipients prior to any termination or cessation of a Service or any suspension, cancellation or termination of this Licence.

Obligation	Issuance of	Banker's	Amount
	Banker's	Guarantee	
	Guarantee	Validity	
		Period	
Deliver all letters within the	Within 28	Each banker's	\$200,000
quality of service standards	days from	guarantee	(\$300,000 if
published by the Licensee.	grant of	submitted to be	providing
	licence and	valid for 1 year	international
	subsequently	from date of	too)
	on an annual	issuance	
	basis.		