

GUIDELINES ON SUBMISSION OF APPLICATION FOR FACILITIES-BASED OPERATOR LICENCE

1 INTRODUCTION

- 1.1 The Singapore telecommunication services market was fully liberalised from 1 April 2000. As required under the Telecommunications Act (Cap. 323), any person operating and providing telecommunication systems and services in Singapore has to be licensed.
- 1.2 The Info-communications Development Authority of Singapore (IDA) has adopted a two-pronged licensing approach that differentiates between licensees based on the nature of their operations, i.e., whether facilities-based or services-based type of operations. This document (the “Guidelines”) is intended to provide an overview of the licensing framework for licence applicants intending to deploy facilities-based operations in Singapore and to guide them in their applications for the relevant licences.
- 1.3 It should be noted that the licensing framework is formulated on a hierarchical basis with Facilities-Based Operators (FBO) being at the higher hierarchical level. In other words, licensees who are licensed as FBO will be able to offer the services that Services-Based Operators (SBO) can offer, but not vice versa. Also, the intention is that an entity should only require a single licence for all the networks/services it intends to operate/offer. Hence, if a SBO decides to deploy its own network subsequently, it will have to apply to be licensed as a FBO. The FBO licence will then replace its SBO licence.

2 DESCRIPTION OF FACILITIES-BASED OPERATIONS

- 2.1 Facilities-based operations refers to the deployment and/or operation of any form of telecommunication network, systems and/or facilities by any person for the purpose of providing telecommunication and/or broadcasting services outside of his own property boundaries to third parties, who may include other licensed telecommunication operators, business customers or the general public. Parties intending to deploy such operations will require a FBO licence from IDA.



2.2 Telecommunication networks, systems and facilities include any telecommunication infrastructure for the carriage of telecommunication or broadcast traffic. The traffic may be cross-border or local in nature, and the network coverage may be nationwide or only confined to selected geographical areas in Singapore. These may include mobile communications systems (e.g. base stations, mobile switching centres) required to offer public cellular mobile telephone, trunked radio or mobile data services; and fixed telecommunication systems (e.g. switches, optical fibre, ducts and manholes, submarine cable systems, international cable and satellite gateways) required to offer local and international voice and data services. Interested parties should note that separate licences or authorisation may be required from other relevant government agencies for the deployment and/or provision of certain types of networks and/or services¹.

2.3 The range of telecommunication services to be provided over the licensees' facilities may include the following:

- Public Switched Telephone Services
- Public Switched Integrated Services Digital Network (ISDN) Services
- Leased Circuit Services
- Public Radiocommunication Services²
- Public Cellular Mobile Telephone Service (PCMTS)
- Public Trunked Radio Services (PTRS)
- Public Mobile Data Services (PMDS)
- Terrestrial Telecommunication Network for Broadcasting Purposes
- Satellite Uplink/Downlink for Broadcasting Purposes

3 GENERAL LICENSING AND REGULATORY FRAMEWORKS

Licensing Framework

3.1 Parties interested in applying for an FBO licence shall submit their proposals to IDA in accordance with the requirements outlined in Section 4 of the Guidelines.

3.2 IDA does not pre-determine the number of FBO licences to be issued. There may however be radio frequency spectrum or other resources and physical constraints that will limit the number of licences available for certain networks and/or services. Applicants for an FBO licence shall be a company incorporated under the Singapore

¹ For example, an FBO Licensee will have to comply with terms and conditions that may be imposed by the Land Transport Authority if the Licensee intends to open up a public road for cable laying.

² Public radio-communication services refer to maritime and aeronautical services.

Companies Act, (Cap. 50). There are no foreign equity limits imposed on FBO licensees.

3.3 IDA will evaluate an FBO licence application based on its merits. IDA will take into account the following in its evaluation of the merits of an applicant's proposal:

- (a) vision of the applicant;
- (b) organisational structure and financial capability and strength of the applicant;
- (c) competition strategies of the applicant for the provision of services; technical soundness of the applicant's plans and technical capability to implement the plans;
- (d) commitments of the applicant in fulfilling its vision and plans; and
- (e) any other relevant information provided by the applicant.

IDA will also consider the benefits that will be brought by the applicant to the industry, consumers and the Singapore economy as a whole in terms of the investments in Singapore; enhancement of the telecommunication infrastructure, capacity, capability and connectivity; level of technological and service innovation and responsiveness; range and choice of products and services offerings; competitive pricing; level of quality of service³ and level of customer service support, before awarding a licence to the applicant.

Please refer to Annex 1 for an outline of the basic information to be provided in FBO licence applications.

3.4 In line with IDA's technology-neutral approach, applicants are free to select the most appropriate technology for their proposed operations, based on their own commercial decisions, subject to resource limitations and physical constraints and public interest concerns, if any. Once the licence is granted however, a licensee will be required to seek IDA's prior approval for any subsequent changes to its networks and service offerings.

3.5 Depending on the scope and requirements of their operations, the services offered and the reach of their customers, FBO licensees may apply to be designated as Public Telecommunication Licensees (PTL)⁴ under section 6 of the Telecommunications Act (Cap. 323). PTLs enjoy certain provisions under the Telecommunications Act (Cap. 323) that facilitate the installation and maintenance of their systems; and protection of

³ Please refer to the IDA website for IDA's key quality of service (QoS) standards. These QoS standards are subject to review and update from time to time.

⁴ IDA will consider favourably applications by an FBO to be designated as a PTL if the FBO commits to substantial infrastructure investment and rollout to offer services to a significant proportion of the population within a reasonable period of time.

their systems. IDA reserves the right to impose certain basic service obligations on PTLs where deemed necessary.

Regulatory Framework

- 3.6 All FBO licensees will be regulated in accordance with the licensing and regulatory frameworks established by IDA, which are formulated under the provisions of the Telecommunications Act (Cap. 323). Annex 2 provides an outline of the key frameworks currently in place. Licensees are also required to comply with the Code of Practice for Competition in the Provision of Telecommunication Services (Telecom Competition Code), which aims to ensure the development of a fair and competitive telecommunication environment in Singapore. Other codes of practice and regulatory guidelines include the Code of Practice for Info-communication Facilities in Buildings (COPIF) and the Accounting Separation Guidelines. Applicants may refer to the IDA website for the licences issued to other FBO licensees, the Telecom Competition Code and other codes of practice and regulatory guidelines issued by IDA⁵.
- 3.7 IDA recognises that the info-communications environment is dynamic and ever-changing. IDA regularly reviews and refines the frameworks to ensure their relevance, taking into consideration market trends and developments.

⁵ IDA's website address is www.ida.gov.sg. The documents can be found under the Policies & Regulations section.

Licence Fees and Licence Duration

- 3.8 The licence fee for FBOs will be an annual recurrent fee based on Annual Gross Turnover (AGTO) of the FBOs, subject to a minimum amount of \$80,000 or \$200,000, depending on whether the licensee is an FBO or PTL respectively. There is no initial one-time licence fee payable. The duration of the licence will also differ depending on the scope of the Licensee's operations. Successful applicants for the FBO licence will be required to pay the relevant licence fee as stipulated below:

Licence	Licence Fee	
<ul style="list-style-type: none"> FBOs 	Licence Duration: 15 years, renewable for a further period as IDA thinks fit	
	Annual Fee (sum of the below):	
	First S\$50 million in AGTO ⁶	S\$80,000
	Next S\$50 - \$100 million in AGTO	0.8% AGTO ⁷
	Above S\$100 million in AGTO	1% AGTO ⁸
<ul style="list-style-type: none"> FBOs designated as Public Telecommunication Licensee 	Licence Duration: 20 years, renewable for a further period as IDA thinks fit.	
	Annual Fee (sum of the below):	
	First S\$50 million in AGTO	S\$200,000
	Next S\$50 - S\$100 million in AGTO	0.8% AGTO
	Above S\$100 million in AGTO	1% AGTO
<ul style="list-style-type: none"> Public mobile data services Public trunked radio services 	Licence Duration: 10 years, renewable for a further period as IDA thinks fit	
	Annual Fee (sum of the below):	
	First S\$50 million in AGTO	S\$80,000
	Next S\$50 - S\$100 million in AGTO	0.8% AGTO
	Above S\$100 million in AGTO	1% AGTO

⁶ Annual Gross Turnover (AGTO) is the annual fair value of the consideration received or receivable for licensable activities taking into account the amount of any trade discounts and volume rebates allowed by the FBO licensee.

⁷ This refers to the FBO licensee's incremental AGTO from S\$50 million, i.e., an FBO licensee with AGTO of S\$60 million will be required to pay a fee of S\$80,000 + 0.8% of the incremental S\$10 million of AGTO.

⁸ Similar to the example in footnote 8, this refers to the FBO licensee's incremental AGTO from S\$100 million.

Licence	Licence Fee
<ul style="list-style-type: none"> • Terrestrial telecommunication network for broadcasting purposes only • Satellite Uplink/Downlink for broadcasting purposes 	Licence Duration: 10 years, renewable on a 5-yearly basis Annual Fee: \$5,000

Performance Bond

3.9 IDA will require the FBO licensees to rollout their networks and provide services in accordance with their offers and proposals as stated in their applications. Each FBO licensee shall provide IDA with a performance bond for a sum amounting to 5% of its total budgeted capital investment as committed in its application, in accordance with the specimen Banker’s Guarantee specified in Annex 3, and made in favour of IDA. The performance bond shall cover the material obligations of rollout, service provision and commitments as well as compliance with any directions issued by IDA.

4 LICENCE APPLICATION PROCEDURE

4.1 Each applicant shall submit three hard copies and one soft copy (preferably in Microsoft Word format) of its application under a confidential cover with the title clearly marked “**APPLICATION FOR FACILITIES-BASED OPERATOR LICENCE**”. Each applicant shall include all the basic information requested for in Annex 1 of the 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 should include a content page and an executive summary, highlighting the main points and salient features of the proposal.

4.3 IDA will acknowledge individually each application. Unless requested by the applicant, IDA may disclose the identities, including the composition of the applicants. A list of FBOs licensed by IDA will be posted on the IDA website. IDA also reserves the right to disclose any information submitted by applicants 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 should include an address, contact telephone, facsimile number and email address, and the name and designation of the contact person for correspondences with IDA.
- 4.5 A successful applicant will generally be awarded its licence within four weeks of application submission, provided that the applicant has submitted all the necessary information requested by IDA for evaluation purposes and IDA has completed all necessary clarifications with the applicant.⁹
- 4.6 One licence will be issued to the successful applicant (or Licensee), regardless of the type and range of operations and services to be provided. The Licensee must however seek the prior approval of IDA for any subsequent changes to the scope of its licensed operations and services. IDA will update the licence accordingly.
- 4.7 Applicants will be bound by all terms, commitments, offers, presentations, proposals, plans and obligations stated in their applications. Applicants must use their best efforts to ensure that the information and representations submitted in their applications are accurate in all aspects. Any change in the information contained in the application form, and subsequent information provided to IDA, must be notified immediately to IDA.
- 4.8 Successful applicants will be required to launch the commercial services proposed in their applications.

5 CORRESPONDENCE/ENQUIRIES

- 5.1 Enquiries on the Guidelines shall be made in writing, indicating clearly on the cover “**Enquiries on FBO Licensing**” and should be addressed to:

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

⁹ In the event that IDA requires more than four weeks to assess the application due to unforeseen reasons, IDA will notify the applicant about the additional time required.

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.**

INFORMATION TO BE PROVIDED IN FBO LICENCE APPLICATIONS

1 Vision

Singapore's vision is to be an Intelligent Nation, a Global City, powered by Infocomm. The applicant shall outline his own vision and how this will contribute towards realising Singapore's vision.

2 Organisational structure/financial capability and strength

The applicant shall provide information on:

- (a) 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 private or public entity; and
 - (iii) if public, details of public listings;
- (b) the corporate and shareholding structure of the applicant clearly indicating the ultimate ownership, both direct and indirect;
- (c) 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;
- (d) details of principal contractors;
- (e) Applicants shall submit the following documents:
 - (i) photocopies of the applicant's incorporation documentation under the Singapore Companies Act, (Cap. 50) including certified copies of the applicant's Memorandum and Articles of Association;
 - (ii) authorised, issued and paid-up capital and relevant certificates indicating the amounts; and
 - (iii) bankers' confirmation of deposits and/or available credit facilities;
- (f) copies of detailed audited accounts of the applicant (i.e. profit and loss accounts, balance sheets, cash flow statements and auditors' reports) for the last three financial years;
- (g) latest interim results of the applicant;

- (h) budgeted projections of the applicant for the next three years (i.e. profit and loss accounts, balance sheets and cash flow statements); and
- (i) a schedule of financial debts, obligations and contingent liabilities of the applicant for the next three years.

The applicant shall provide its business, financial and funding plans of its proposed investment for the first 5 years of operation, 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 Financial Reporting Standards. All assumptions used (e.g. asset depreciation policies, subscriber projections, annual increase/decrease in operating expenditure) shall be clearly explained;
- (b) 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 shall also be provided;
- (c) forecasts of the internal rate of return, net present value and payback period of the investment. In addition, the net present value at 10%¹⁰ 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);
- (d) a detailed plan of all capital expenditure and working capital requirements for the first 5 years of operations;
- (e) 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.

3 Competition strategies for the provision of services

The applicant shall describe in detail all the services it intends to provide, including the timing, and the competition strategies it will use to compete in Singapore's telecommunication market and how its operations will contribute to Singapore achievement of its vision.

The applicant shall provide details:

- (a) of the track record of the consortium partners and/or other relevant parties; and
- (b) 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.

4 Technical plan and capability

The applicant shall provide information on the following:

- (a) Network Configuration
The overall infrastructure and the components of the international and national networks to enable the provision of the telecommunication services. The description will include the network management capabilities, routing plan, transmission plan, signalling plan and diversity plans.
- (b) Network Facilities
The planned locations and technical details of its network such as international frontier stations and gateways, local/tandem/trunk exchanges, land lines, cable ducts, radio base station sites and other equipment to be installed and frequency spectrum to be used.
- (c) Network Coverage, Capacity and Improvement
The planned geographical coverage of the network upon launch of services and the network capacity expansion plans for the first 5 years of operations; and commitments for improvements to infrastructure facilities for the next 5 years.
- (d) Network Interconnection
Where applicable, technical proposals for interconnection with other FBOs' networks (including signalling, transmission and synchronization

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

requirements), covering the interconnection configuration, point of interconnection interface requirements and diversity arrangements.

- (e) Network Code of Practice, Security and Protection
 - (i) Network performance with an indication of the minimum standards; and
 - (ii) Details of network security, IT/system security and physical network protection.

- (f) Network Technologies

Technologies to be employed for the switching, transmission and local access systems to deliver basic, broadband and value-added services, with the rationale for the choice of technologies selected.

The applicant shall also:

- (a) Submit a broad network rollout plan and its strategy to implement the network rollout 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.

5 Any other relevant information

The applicant may submit any information not specified above which it considers relevant for IDA's consideration of its application.

KEY LICENSING AND REGULATORY FRAMEWORKS GOVERNING OPERATIONS/SERVICE PROVISION FOR FBOS

1 LICENCE FEE

- 1.1 The successful applicant for facilities-based operations shall pay the applicable minimum annual licence fee stipulated within two weeks of the grant of the Licence. IDA shall forfeit the fees payable under this condition if the Licensee withdraws the acceptance of the Licence after the Licence is awarded; or if the Licence is terminated or cancelled at any time during the term of the Licence.

2 NETWORKS AND SERVICES ROLLOUT PLAN

- 2.1 The Licensee shall rollout its network and services operations as committed under its application. Where the Licensee intends to deploy and operate its installation or plant within the buildings for the purpose of providing telecommunication services, the Licensee shall refer to IDA's Code of Practice for Info-communication Facilities in Buildings (COPIF) on the relevant duties to be observed.

3 NUMBERING

- 3.1 The National Numbering Plan provides a set of rules and guidelines for the use and assignment of numbers to telephone services delivered over the Public Switched Telephone Network (PSTN), Radio Network¹¹ and the Internet or other Internet Protocol (IP) based network. The National Numbering Plan also describes the assignment of numbers to international services, trunk service, emergency services and special services such as voice mail and Intelligent Network (IN) services.
- 3.2 The PSTN, Radio Network and IP Telephony (IPT) share the same numbering plan, which is a uniform 8-digit numbering plan. Numbers are categorised in various services under the National Numbering Plan according to the first digit. The structure of the national number¹² generally complies with the relevant International Telecommunication Union Standard Sector (ITU-T) Recommendations.
- 3.3 As the regulator of telecommunication industry, IDA controls and manages the National Numbering Plan. IDA also ensures that the number allocation process is fair and transparent so as to provide a level playing field for competition. The National Numbering Plan will be reviewed from time to time to ensure its continued relevance.

¹¹ Radio Network is used to collectively represent the paging network, cellular mobile network and trunked radio network.

¹² National number is a subscriber number, which is 8 digits for PSTN and Radio Network. The number structure does not contain any trunk code or network code.

For more information on IDA's guidelines on number allocation to licensees, please refer to the National Numbering Plan at the IDA website.

4 NUMBER PORTABILITY

- 4.1 Number portability refers to the ability for subscribers to retain their current numbers, including 1800 (toll-free) and 1900 (premium) services numbers, when they change their service providers or geographical locations. Unless otherwise stated, licensees allocated with numbers are required to implement and support number portability.

5 RADIO FREQUENCIES

- 5.1 A successful applicant shall justify the use of radio frequencies and be subjected to payment of the required frequency fees. The applicant must take all necessary steps to ensure that the use of its systems is safe and does not cause interference to other existing radio-communication networks in the same band or in other bands.

6 QUALITY OF SERVICE STANDARDS

- 6.1 A successful applicant will have to comply with IDA's Quality of Service Standards for the services it wishes to provide.

7 INTERCONNECTION AND ACCESS WITH OTHER LICENSEES

- 7.1 The Code of Practice for Competition in the Provision of Telecommunication Services ("Telecom Competition Code") sets out the interconnection and access regulatory framework that licensees must comply with. Licensees are required to interconnect with other licensees. This is to ensure that there is seamless any-to-any communications throughout Singapore, where end-users can communicate between each other and access any services of any service provider regardless of which system(s) the end-users are directly connected to.
- 7.2 IDA strongly encourages licensees to enter into interconnection agreements through commercial negotiations. Licensees may agree to interconnect on any mutually agreeable terms, provided that they fulfill the minimum interconnection duties specified in the Telecom Competition Code. IDA will generally not involve itself in interconnection negotiations between non-dominant licensees. For interconnection with dominant licensees, a licensee may, at its option, do so pursuant to the terms of: (i) an IDA-approved Reference Interconnection Offer (RIO) extended by the dominant licensee; (ii) any existing interconnection agreement between the dominant licensee and any other similarly situated licensee; or (iii) an individualised interconnection agreement with the dominant licensee through voluntary negotiations.

If licensees fail to reach an individualised interconnection agreement under option (iii) within 90 days, either licensee may request IDA to resolve the dispute under the Telecom Competition Code.

8 PROVISION OF INTERNATIONAL SERVICES

- 8.1 Licensees providing international services are expected to build international infrastructure which include back-haul facilities, international gateway facilities, cable landing stations, satellite uplink/downlink facilities and submarine cable/satellite transponder capacity, depending on the selected means of provision. The Licensee may also require access to international cable and/or satellite capacity in order to provide international telecommunication services.
- 8.2 As a start, IDA will provide licensees with the necessary regulatory support and assistance in order that they may gain access to relevant infrastructure (such as submarine cable landing rights in Singapore) for the provision of international telecommunication services.

Applicants may wish to refer to FBO licences that are published on the IDA website for details on the other licence conditions.

SPECIMEN COPY OF BANKER'S GUARANTEE

Dated { }

{Name of Bank}

{Address of Bank}

To: Info-communications Development Authority of Singapore

10 Pasir Panjang Road

#10-01 Mapletree Business City

Singapore 117438

Attn: Deputy Director General (Telecoms & Post)

Dear Sir

This Banker's Guarantee ("Guarantee") is issued pursuant to [Condition x.x]* of the licence to provide [the proposed service] ("Licence") granted to {Name of Licensee} of registered address {Address of Licensee} under Section 5 of the Telecommunications Act (Cap. 323) (the "Act").

We, **{Name of Bank}** whose registered office is at **{Address of Bank}** (the "Bank") understand that the Info-communications Development Authority of Singapore ("IDA") has on **{Date of Licence}** issued the Licence to **{Name of Licensee}** to be a **[Facilities-Based Operator]** in Singapore.

Pursuant to **[Condition x.x]** of the Licence, the Bank hereby issues this Guarantee to secure the due performance of **{Name of Licensee's}** commitments with respect to **[its proposed plans to provide the facilities as stated under Schedule C or D of the Licence.]**

The Bank hereby guarantees and undertakes to pay to IDA up to the sum of **[amounting to 5% of the Licensee's total budgeted capital investment]** ("Guaranteed Amount"), in accordance with the terms and conditions hereinafter contained, if **{Name of Licensee}** fails to **[execute the respective commitments made in Schedule C or D of the Licence]**.

If **{Name of Licensee}**, in IDA's sole and absolute opinion, fails to meet its commitments as stated under **[Schedule C or D of its Licence]**, the Bank guarantees to pay IDA unconditionally on IDA's written demand, the relevant sum of the Guaranteed Amount without any notice, reference or further enquiry from **{Name of Licensee}** or any other party

and without requiring or obtaining any evidence or proof that IDA is entitled to the Guaranteed Amount.

Any such demand made by IDA shall be conclusive and binding on the Bank notwithstanding any difference between IDA and **{Name of Licensee}** or any dispute pending before any court, tribunal arbitrator, or any other authority.

Each demand by IDA shall be accompanied by a certificate signed by an authorised officer(s) of IDA substantially in the form as set out in the Schedule. The authorised officer(s) shall be any person who is appointed as such by IDA and shall be subject to such change(s) as deemed necessary by IDA from time to time. IDA may not make a demand in any other manner except as expressly provided in this Guarantee.

All payments by the Bank to IDA shall be by way of a **{Singapore or United States}** dollar crossed cheque, drawn on a bank in Singapore and made in favour of the "Info-communications Development Authority of Singapore".

The Bank shall pay IDA within five (5) business days after the date on which IDA makes a demand of a relevant sum of the Guaranteed Amount on the Bank, failing which the Bank shall pay interest to IDA at the prevailing prime rate of the bank. The term "Business Day" means a day (other than a Saturday, a Sunday or a public holiday in Singapore) on which commercial banks are open for business in Singapore.

The Bank shall not revoke this Guarantee during its currency without IDA's prior written consent and further agrees that the guarantee herein shall be enforceable until IDA discharges this Guarantee.

This Guarantee shall take effect on the date of the Licence, **{Date of Licence}** and shall remain in force up to and including **{Due date for completion of commitments}** ("Guarantee Validity Period"). IDA may serve its demand on the Bank at anytime after the expiration of the Guarantee Validity Period but prior to the expiration of one (1) month after the Guarantee Validity Period.

A person who is not a party to this Guarantee has no right under the Contracts (Rights of Third Parties) Act (Cap. 53B) to enforce any terms of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of Singapore and both parties hereto shall submit to the exclusive jurisdiction of the courts of Singapore.

Note:

* [] Details to be changed accordingly depending on type of Licence granted.

{ } Details to be furnished by the Licensee.

SCHEDULE

CERTIFICATION OF DEFAULT

Dated { }

To: {Name of bank}
{Address of Bank}

Dear Sirs

BANKER'S GUARANTEE TO SECURE THE OBLIGATION OF {NAME OF LICENSEE} TO IDA

We refer to the Banker's Guarantee dated **[Date of Guarantee]**. Terms defined in the Guarantee shall, unless otherwise defined herein, have the same meaning in this certification.

We hereby certify that **{Name of Licensee}** has failed to **[meet its commitments as stated under Schedule C or D of its Licence]** and such failure has not been remedied as at the date hereof.

{Insert name of authorised office of IDA}

for and behalf of

Info-communications Development Authority of Singapore

Licensee's Annual Gross Turnover

Independent Auditor's Report on Licensee's Annual Gross Turnover

The Board of Directors

[Name of Company]

[Address]

We have audited the accompanying Schedule of the Annual Gross Turnover ("AGTO") in relation to all licensable activities under the [please insert type of licence¹³] granted to the Licensee by the Infocomm Development Authority of Singapore ("IDA") (the "Schedule") of [Licensee's Name] (the "Licensee") for the period from [dd/mm/yy] to [dd/mm/yy]. The Schedule has been prepared by the Licensee's management based on the basis of accounting as described in the Basis of Preparation attached to this Schedule.

The AGTO refers to the annual fair value of the consideration received or receivable for licensable activities taking into account the amount of any trade discounts and volume rebates allowed by the [name of Licensee].

Management's Responsibility for the Schedule

Management is responsible for the preparation of the Schedule and for such internal control as management determines is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the attached Schedule based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

¹³ Types of Licences include Facilities-Based Operations, Services-Based Operations (Individual), Postal Services Operations.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the AGTO (totaling [insert amount] in the Schedule of the Licensee for the period from [dd/mm/yy] to [dd/mm/yy] is prepared, in all material respects, in accordance with the attached Basis of Preparation, in relation to all licensable activities under the [please insert type of licence] granted to the Licensee by the IDA.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to the attached Basis of Preparation, which describes the basis of accounting. The Schedule is prepared to assist the Licensee to meet the requirements of the IDA in connection with the determination of the Licensee's annual licence fee by the IDA. As a result, the Schedule may not be suitable for another purpose. Our report is intended solely for the Licensee and the IDA and should not be distributed to parties other than the Licensee or the IDA.

_____(Firm)

Public Accountants and
Certified Public Accountants
Singapore

_____(Date)

Enclosure:

The Schedule

Cc:

Info-communications Development Authority of Singapore (IDA)
Director, Finance and Procurement

COMPANY'S LETTERHEAD

**BASIS OF PREPARATION
OF THE ANNUAL GROSS TURNOVER**

Annual Gross Turnover (“AGTO”)

The AGTO refers to the annual fair value of the consideration received or receivable for licensable activities in relation to all licensable activities under the [please insert type of licence] granted to the Licensee by the Infocomm Development Authority of Singapore taking into account the amount of any trade discounts and volume rebates allowed by the [name of Licensee].