



RETAIL INTERNET SERVICE PROVISION LICENSE

PREAMBLE

The Director General of Rwanda Utilities Regulatory Authority;

Pursuant to law N°09/2013 of 01/03/2013 establishing Rwanda Utilities Regulatory Authority (RURA) and determining its mission, powers, organization and functioning especially in its articles 2,4, 6, 20 and 37;

Pursuant to Law N°24/2016 of 18/06/2016 governing Information and Communication Technologies;

Acting in accordance with the provisions of the Law governing information and communication technologies.

1. DEFINITIONS OF TERMS

In this License, the following terms shall be defined as follows:

1° **Internet:** a global network or networks connecting various types of computers and equipment in the global network through the set of various Internet protocols;

2° **Retail Internet Service Provider:** means a licensee accessing the broadband capacity from the Wholesale provider and authorised to provide Internet services on retail basis to end users;

3° **License:** a document issued by the Regulatory Authority to an operator authorizing the holder to provide Internet services

4° **Licensee:** the holder of this license

5° **Network Service Provider:** the owner of network infrastructure

6° **Operator:** a telecommunications network operator licensed under the law N°24/2016 of 18/06/2016 governing Information and Communication Technologies in the Republic of Rwanda.

7° **Quality of Services (QoS):** the collective effect of service performance which determines the degree of satisfaction of a user of the service indicating the performance of a broadband network and of the degree to which the network conforms to the stipulated norms;

8° **Regulatory Authority:** Rwanda Utilities Regulatory Authority established by the Law n°09/2013 of 1st March 2013;

9° **Service: Internet** services such as access to the Internet, services of archiving and forwarding, reporting at distant server, use of TCP/IP electronic mail, transfer of databases, information search services, e.g. Gopher (transfer of index databases, World Wide Web “WWW”);

10° **Service Level Agreement (SLA):** is a formal written agreement between a network service provider and the Licensee that specifies, usually in measurable terms, what services the network service provider will furnish;

11° **Subscriber:** any person using Services of the Licensee;

12° **Turnover:** the operating revenues of the concerned Internet Service Provider, after deduction of VAT;

13° **Validity of the License:** the period in which the present License becomes effective and is valid;

14° **Wholesale Provider:** A licensee authorized to provide broadband capacity and services to retail operators and providers only and not to users or other persons.

2. PURPOSE OF THIS LICENSE

This License is issued to the licensee to provide internet retailing services in the Republic of Rwanda.

3. SPECIFIC POWER OF THE REGULATORY AUTHORITY UNDER THIS LICENSE

3.1. The Regulatory Authority grants this License on non-exclusive basis and nothing shall prevent the Regulatory Authority to grant a Licence with the same rights and obligations to other users.

3.2 Any commercial entity, registered in Rwanda and willing to provide Internet services in Rwanda may request the Regulatory Authority to grant a license for Internet Service provisions, under the same conditions provided in Law and Regulations into force.

3.3 The Regulatory Authority defines rights and obligations of Retailer ISP in order to organize the Internet market in the Republic of Rwanda and shall not prevent the introduction of new services, unless such new services are strictly prohibited by the Telecom Sector Policy or any Law and Regulations governing telecommunication matters.

4. RIGHTS AND OBLIGATIONS OF THE LICENSEE

4.1. Under this License, the Licensee has the following rights:

- 1° To enjoy all benefits of fair market competition in ICT industry market
- 2° To retail Wireless and Fiber Broadband internet services;
- 3° Any other right provided in Law and Regulations into force.

4.2. Under this License, the Licensee has the following obligations:

- 1° to comply with all conditions related to provision of internet services defined by the present License;
- 2° to provide internet services, marketing, branding, distribution of billing to subscribers, customer support services and taking into consideration of subscribers' complaints;
- 3° to ensure that the equipment to provide internet Services are compatible with equipment of Network service provider;
- 4° to inform the temporary or permanent disconnection of subscriber or other restrictions that might infringe subscriber's rights;
- 5° to provide Services to all interested subscribers in the Republic of Rwanda without any kind of discrimination;
- 6° to purchase its own IP address, domain name and similar from authorised bodies.
- 7° not establish a monopoly of any kind of a cartel for conduction of ISP activity;
- 8° to submit to the Regulatory Authority all reports on its QoS parameters, with the purpose of monitoring of compliance with terms and conditions of the License;
- 9° to declare revenues collected on quarterly basis and pay to RURA's account the required regulatory fee not later than the last day of the following month.
- 10° to submit the audited financial statements of the year of operation to the Regulatory Authority not later than 31st March of the following year.
- 11° to comply with all Laws, Regulations, Orders and directives related to Internet services provisions;
- 12° to procure and deliver within 45 calendar days after being notified that the application to the license is successful; the performance bond to guarantee its performance towards the

terms and conditions of the License. The Performance Bond shall be issued by a Rwandan bank or insurance company in the amount of Ten Thousand (10,000) US Dollars and shall remain valid until 30 days after the expiration of the license. The terms for execution of the performance guarantee shall be determined by the Regulatory Authority.

5. ELIGIBILITY AND CHANGE OF OWNERSHIP OF THE LICENSEE

5.1. Licensee shall continue to be, a corporate body constituted under the laws of Rwanda. The Licensee shall continue to meet, any other eligibility requirements provided under Laws and regulations of the Republic of Rwanda;

5.2. The Licensee shall comply with the following conditions on ownership:

1° Where the licensee undergoes any direct or indirect change of ownership of more than 10% of the total number of shares held, it shall notify such change in writing to the Regulatory Authority no later than one (1) month before the change.

2° To notify the Regulatory Authority of any joint venture in respect of a licensed service into which it enters with any person; or entity, holding a License issued by the Regulatory Authority.

3° Where in the opinion of the Regulatory Authority, the change of ownership of the Licensee would adversely affect the development of ISP market in the country, including the development of competition, or the performance of its License obligations, or the security of the country, the Regulatory Board shall be entitled, after having heard the Licensee, to revoke the License by notifying to the Licensee a written decision containing reasons.

4° The Regulatory Authority shall communicate the decision of approval or disapproval of the transfer of shares or the change of ownership within one (1) month upon receipt of notification.

6. QUALITY OF SERVICE LEVEL

The Licensee shall comply with the quality of service standards adopted by the Authority. By doing so, the Licensee shall be required to:

6.1 . repair and correct, within reasonable time, all damages resulting from the shortcomings which are connected to his/her License obligations;

6.2 . maintain records relating to the Quality of Services(QoS) parameters and shall submit the same in a form prescribed by RURA, which shall be made readily available to RURA for the purposes of satisfying the Regulatory Authority that the Licensee is meeting the QOS requirements;

6.3 . conclude a service level agreement (SLA) on provision of Services with Subscribers, in which the provided Services shall be measurable and the conditions under which the same shall be provided for;

7. CONTROL OF FORBIDDEN CONTENT AND INTERNET USAGE POLICY

7.1 . The Regulatory Authority has the power, to instruct the Licensee to remove all contents considered as is illegal or violating the copyrights as provided in Laws and Regulations of the Republic of Rwanda;

7.2 . In case, this occurs, the Licensee shall comply with such decision without any delay; otherwise he/she shall be liable in conformity with the terms and conditions of this License, Laws and Regulations of the Republic of Rwanda.

8. FEES

The Licensee shall be required to pay the following fees:

- a) Application fee of **five hundred (500) US Dollars** payable once
- b) License fee of **five thousand (5,000) US dollars'** payable before withdrawing the approved license;
- c) One percent (1%) of the Annual Turnover on quarterly basis and not later than the last day of the month following the quarter of operation;
- d) Any other fees, taxes, contributions and charges that may be or from time to time become payable in accordance with the applicable laws and regulations of Rwanda.

The Regulatory Authority shall deliver all invoices for payment in a timely manner to facilitate the Licensee to make payment of all required fees.

9. PRICES

9.1 . The Licensee shall freely establish prices for its services;

9.2 . Prices shall be determined on the basis of market relationships and shall be communicated to the Regulatory Authority;

9.3. In case there is change in prices, the licensee shall inform the Regulatory Authority on the new tariff not later than thirty (30) days before the change becomes effective.

10. DISCONNECTION

10.1. The Licensee shall be allowed to disconnect a subscriber if the latter has violated the Service level agreement concluded between the Licensee and subscriber. The (SLA) signed by both parties **shall** be in line with the terms and conditions of this License and Laws and Regulations governing telecommunications matters in Rwanda;

10.2. Before any disconnection, the Licensee shall be required to warn, his/her subscriber, within a reasonable period of time, stating the date provided in warning message sent by the Licensee to that specific subscriber.

11. DISPUTES WITH THIRD PARTY OPERATORS

11.1. In case of dispute between operators, the parties to the dispute shall first consult with a view to settling the dispute amicably. In the event of failure to reach an amicable settlement either party may refer the matter to the Regulatory Authority;

11.2. The Regulatory Authority shall make its decision within a reasonable period and shall promptly thereafter provide the parties concerned with written reasons for its decision.

12. MODIFICATIONS OF LICENSE

12.1. A license modification proceeding may be initiated by the Authority or on request of the license holder;

12.2. The Regulatory Authority may modify a license before the expiration of the license term when it determines that an amendment of the license is needed in order to respond to:

1° Significant changes in the controlling laws or regulations, or significant court decisions that directly affect the license provisions;

2° The inability of the license holder to comply with controlling license provisions due to events beyond licensee's control;

3° Changes in the ownership or organizational status of the licensee;

4° Significant non-compliance by the licensee with current license provisions or other Regulatory Authority rules, decisions or orders.

13. LICENSE TRANSFER

13.1 . Modification and transfers of licenses, including the direct or indirect sale, assignment, conveyance, lease or other transfer of assets or activities subject to a license to a different person shall be subject to a prior written approval of the Regulatory Authority;

13.2 . Such approval shall be granted after consideration of the matter and if the proposed transfer meets all the conditions for granting the relevant license;

13.3 . Failure to comply with such requirements shall amount to license suspension or revocation.

14. PROCEDURES FOR LICENSE TRANSFER

- 14.1 . A license transfer proceeding is initiated by an application from the licensee. Until the Regulatory Authority has issued an approval of the transfer, no licensee may attempt to transfer its license to another person;
- 14.2 . A license transfer proceeding shall be conducted in the same manner as review of a license application. The transferee shall be considered as the applicant to assume the operational license. The duration of the license and the license terms and conditions shall remain the same, unless the license transferee requests a license modification as part of the transfer proceedings;
- 14.3 . In the unusual circumstances where a licensee's technical or financial status raises questions about security of internet service provisions or in cases of financial insolvency the Regulatory Authority may, on its own initiative, commence a license transfer proceeding in order to ensure that a license is transferred to a third person, in order to provide internet services to customers.

15. LICENSE REVOCATION

- 15.1 . A license revocation proceeding may be initiated by the Authority or on request of the licensee;
- 15.2 . The Regulatory Authority may revoke a license before the expiration of the license term when it determines that revocation is needed in order to respond to:
- a. Licensee failure to comply with license terms and conditions;
 - b. Licensee abandonment of license activities;
 - c. Failure of the licensee to provide the Regulatory Authority with monitoring and reporting data required by the license or failure to cooperate with the Regulatory Authority inspection and audits;
 - d. Licensee submittal of false or deliberately misleading data or information to the Authority in response to the Authority request or in response to the Authority monitoring reporting inspection or audit requirements;
 - e. Licensee failure to provide timely access to the Authority or inspection or audit of licensee facilities and corporate records;
 - f. Bankruptcy, financial insolvency or liquidation of licensee; and

g. Licensee failure to pay the Regulatory Authority fees.

16. EFFECTIVENESS AND VALIDITY OF THE LICENSE

This license is valid for a period of five (5) years starting from its effective date.