

# **Notice of Assignment (NoA)**

For

**Auction of Radio Spectrum in 3500 MHz & 27GHz Bands**

No: 001

Date: 06<sup>th</sup> December 2024

Telecommunications Regulatory Commission of Sri Lanka

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## SECTION 1

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### 1.1 Introduction

The Telecommunications Regulatory Commission of Sri Lanka (TRCSL) invites applications for the allocation of specific radio spectrum frequencies within the 3500 MHz and 27 GHz bands. These frequencies are intended for licensing to support the deployment of 5G Broadband Services through an auction process. The frequency ranges available for assignment are detailed below:

**Table 1.1: Frequency Band Details**

Band	Paired/ Unpaired	Uplink frequency (MHz)	Downlink frequency (MHz)
3500 MHz	Unpaired	3400 -3600	
27GHz	Unpaired	27000 -27400	

**Note:** Further details of the spectrum available for auction are provided in Section 2. The arrangement of frequency ranges within the specified bands may be revised at the discretion of the Commission.

Information on the amount of spectrum offered, reserve prices, and other relevant details are included in Annexure A (Tables A1 to A2) of Section 11.1 in this Notice of Assignment (NoA).

A single auction process will be conducted for the assignment of spectrum blocks within the 3500 MHz and 27 GHz bands, referred to in this document as the “Auction.” However, the Commission reserves the right to assign the spectrum through alternative methods, should it deem necessary, without providing any explanation.

Applications are invited from prospective bidders who meet the specified eligibility criteria. The Commission will review these applications and pre-qualify applicants who satisfy the criteria for participation in the Auction.

Interested parties may download a copy of this document, along with any subsequent amendments (collectively referred to as the “Notice”), from the TRCSL website at [www.trc.gov.lk](http://www.trc.gov.lk).

The Commission has established the following objectives for the Auction:

- **Determine a Market-Based Spectrum Price:** Achieve a market-determined price for the spectrum through a transparent and competitive auction process.
- **Ensure Efficient Spectrum Utilization:** Promote the efficient use of spectrum resources and prevent spectrum hoarding by ensuring that allocated frequencies are effectively utilized.
- **Foster Competition:** Stimulate healthy competition within the telecommunications sector, encouraging innovation and improving service quality.
- **Support Service Rollout:** Facilitate the widespread deployment of 5G services across the country, ensuring that consumers benefit from advanced digital communications.
- **Establish an Optimal Spectrum Price:** Strike a balance in pricing that ensures sustainable and affordable access to digital communications while reflecting the value of the spectrum.

The Commission reserves the right to cancel or postpone the Auction, in whole or in part, to safeguard these objectives without providing any reasons. The Commission also has the sole discretion to determine the relative importance of these objectives and to assess whether they have been adequately protected by the Auction process. Furthermore, the Commission may abandon the Auction at any point before the spectrum is awarded if it is deemed necessary, without any obligation to provide justification.

## 1.2 Timetable

The following table outlines the current timeline for the Auction process. The Commission reserves the right to modify the overall timeline or amend specific dates as necessary. Any changes to the auction timeline will be published on the TRCSL website. Participants are advised to regularly monitor the TRCSL website for updates.

<b>Auction Timetable</b>		
<b>Event</b>	<b>Date count</b>	<b>Calendar days for the event</b>
Issue of Notice of Assignment (NoA)	T=0	0
Pre-bid Conference	T+5 Days	5
Last date for seeking clarifications on NoA	T+7 Days	2
Clarifications to NoA	T+15 Days	8
Last date for submission of Applications	T+23 Days	8
Publication of Ownership details of Applicants	T+27 Days	4
Bidder Ownership Compliance Certificate	T+29 Days	2
Pre-qualification of Bidders	T+33 Days	4
Last date for withdrawal of Applications	T+34 Days	1
Final List of bidders	T+35 Days	4
Mock Auction	T+38 Days	3
Start of the Bidding of the Auction	T+41 Days	3
Stop the Bidding of the Auction	T+41 Days	0

Closing the Auction	T+51 Days	10
Payment of the Successful Bid Amount as per the payment schedule	Within 10 calendar days of the issue of demand note by the Commission and follow the schedule	

**Note:** The venue and date/time of the Pre-Bid Conference will be announced separately on the TRCSL website.

### 1.3 Auction Committee / Advisors to the Commission

The Auction process will be conducted by a committee appointed by the Commission, hereinafter referred to as the "Auctioneer." This Auctioneer is responsible for advising the Telecommunications Regulatory Commission of Sri Lanka (TRCSL) on all matters related to the Auction. The administration and execution of the Auction will also fall under the purview of this Committee.

If, at any time during the course of this Auction, the performance of any obligation by either party is prevented or delayed due to events beyond their control—such as war, hostility, acts of public enemy, civil commotion, sabotage, acts of State or directions from Statutory Authorities, explosions, pandemics or epidemics, quarantine restrictions, strikes, lockouts (not limited to the Licensee’s establishments and facilities), fires, floods, natural calamities, or any other acts of God (hereinafter referred to as "EVENT")—neither party shall be held liable for any claims or damages arising from such non-performance or delay.

The Auction shall be ceased in case of such EVENT and be resumed as soon as practicable after the EVENT has ceased or no longer exists. The decision of the Telecommunications Regulatory Commission of Sri Lanka (TRCSL) regarding the resumption or recommencement of the Auction, including the timeframe within which it may occur, shall be final and binding.

### 1.4 Dispute Settlement and Jurisdiction

Any disputes arising from or related to this Notice of Assignment and the Auction process shall be resolved by the Commission’s determination and such determination of the Commission shall be final.

### 1.5 Governing Law

All Bidders shall be governed by the laws of Sri Lanka, including the statutory provisions and regulations established under the Sri Lanka Telecommunications Regulatory Act No. 25



of 1991, as amended by the Sri Lanka Telecommunications (Amendment) Act No. 27 of 1996 and the Sri Lanka Telecommunications (Amendment) Act No. 39 of 2024.

## Section 2.

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### 2.1 Spectrum to be auctioned

Rights to use spectrum at specified frequencies in the 3500 MHz and 27 GHz bands (subject to fulfilment of eligibility conditions, relevant license conditions and any other conditions applicable to specific frequency blocks) for a period of ten (10) years from the 'Effective Date' (as defined in Section 2.5) are being offered in this Auction.

The details of band wise quantum of spectrum offered, reserve price etc. are attached as **Annexure A** (Table A1 to A2) of Section 11.1 to this Notice of Assignment (NoA).

The minimum quantity of spectrum to be bid by Licensee block size and additional quantity beyond minimum bid quantity of spectrum in various bands is given in the Table 9.5.1 under Section 9.5.

### 2.2 Technology

Spectrum blocks acquired through the Auction may be aggregated as needed to support the technology requirements and shall be deployed using 5G technology within the scope of the service license.

### 2.3 Captive Non-Public Network

The Commission will periodically issue provisions, rules, guidelines, and licensing terms for the establishment of Captive Non-Public Networks (CNPNS). TSPs may offer CNPNS to enterprises by utilizing network resources, such as through network slicing, within their Public Land Mobile Network (PLMN).

It is the responsibility of TSPs to ensure that the prescribed Quality of Service (QoS) for their public network customers is maintained, including the interference-free coexistence of public and private networks.

### 2.4 Spectrum Licence Fees

The successful bidder will be required to obtain an annual frequency license in accordance with Section 22 of the Act. This process will involve payment of Spectrum Licenses Fee as specified by the applicable rules and/or regulations applicable at the time of payment of the fee, in addition to the payment of the winning bid price.

## 2.5 Duration

The validity period for the right to use the spectrum in the 3500 MHz and 27 GHz bands acquired through this auction shall be ten (10) years from the “Effective Date.”

The “Effective Date” is defined as the date of frequency assignment specified in the Frequency Assignment Letter issued to the successful bidder. The ten (10) year period will commence from the date of frequency assignment as stated in the Frequency Assignment Letter.

## Section 3.

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### 3.1 Eligibility criteria to participate in the Auction

Eligible participants for the Auction must meet one of the following criteria:

#### 1. Licensees:

Any licensee holding a Digital Mobile Cellular Communications System License under section 17 of the Act (Cellular Mobile Operators) is eligible for participation in the Auction.

Eligible entities shall bid for 50 MHz spectrum in the 3500 MHz bundle with 100 MHz in 27.0 GHz, bands (Spectrum Block), subject to the provisions outlined in this Notice. A bidder is eligible for winning only two blocks in each band. Details are outlined in Section 3.2.

### 3.2 Associated Eligibility Conditions

- (i) Cellular Mobile Operators shall be treated as qualified for the auction of the frequency bands. They will also need to comply with conditions for spectrum assignment and other prescribed conditions such as rollout obligations, Bank Guarantee etc.
- (ii) The bidders will have to submit a declaration regarding the Band as per format at **Annexure K**.
- (iii) The spectrum caps have been mentioned in Section 9.7 and shall be applicable for all the bidders.
- (iv) The Bidder shall have capability to meet investment commitments set out by Commission and shall agree to submit Bank Guarantees before the frequency reservation is done in this effect (**Annexure G**) at the time of application for participation in the auction. The applicant shall submit a under taking letter to this effect signed by the Chief Executive Officer of the Company or authorized signatory of the Company while applying for participation in auction.

## Section 4.

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### 4.1 Application format and procedure for submission

In order to pre-qualify for the Auction, prospective bidders must submit an application before the last date for submission of such applications, as per the following requirements. Format for Application and various undertakings, Bank Guarantees etc. are detailed in Table 4.5.1 in Section 4.5. Applicants should inform the Commission promptly in case of any change in the information submitted by them as part of their application.

The Commission reserves the right to summarily disqualify any prequalified bidder at any stage of the auction or after the auction is completed on grounds of non-compliance with eligibility conditions, misrepresentation, non-compliance with Auction Guidelines, non-compliance with any other pre-condition prescribed for participating in the Auction or being awarded the spectrum or any matter that may, in the opinion of the Commission, be contrary to general public interest. The bidder's Bank Guarantees shall be forfeited, and the Commission may undertake other penal action against such a bidder for such breaches. The seriousness of the breach shall be determined by the Commission at its sole discretion.

#### 4.1.1 Application Requirements

Prospective bidders are required to submit:

- (i) A completed Application Form and all supporting information including the necessary undertakings and the Application Checklist;
- (ii) Prescribed application processing fee;
- (iii) Aann Bank Guarantee (as per format provided in **Annexure G**, Section 11.7 from any commercial bank in the prescribed form, of an amount equal to the sum described in the Annexure G that the Bidder wishes to be eligible to bid, as per the Tables A1 to A2 of **Annexure A** (Section 11.1) to this NoA. Given that flexibility has been provided in the Auction Regulation for Bidders to be able to bid for any of the bands, applicants should furnish sufficient bank guarantee to enable them to choose different bands during the auction. The value of the Bank Guarantee will determine the eligibility of Bidders to make bids during the Clock Stage of the Auction, as described subsequently in Section 4.1.4;
- (iv) Bidders are required to nominate an authorized person, who is empowered to take all decisions connected with this auction on the Bidder's behalf and correspond on

behalf of the Applicant with the Commission and the Auctioneer, along with a Power of Attorney empowering her/him for the same. Applicants may authorize one more person, who could act as the alternate authorized person in case of unavailability of the primary authorized person. In case of any duplication of submissions made by the bidder, the submission from the primary authorized person shall be considered as final and binding;

#### **4.1.2 Ownership compliance certification**

After the last date of submission of applications, the Commission shall publish the ownership details submitted by the applicants.

After this, an applicant, who has not otherwise been disqualified, shall be required to submit an undertaking confirming that it complies with the ownership restrictions (the “Ownership Compliance Certificate” at **Annexure J** – Section 12.13) before 4:00 PM of the deadline indicated in the Auction Timetable. The Commission reserves the right to modify this deadline by giving applicants notice through the TRCSL website.

Formats for application and various undertakings are provided in Section 11.5 -11.12 (**Annexure E to Annexure L**).

#### **4.1.3 Pre-qualification Conditions**

In order to pre-qualify, the applicant must satisfy the following conditions:

##### **a) Application requirements:**

The applicant must comply with the application requirements for payment of application fee, provision of information, the required certification and undertakings and submission of Bank Guarantee. Failure to provide any of these documents or to make the payment within the time specified may result in the applicant not qualifying for the auction.

The applicant must comply with the application requirements including payment of application fee, provision of required information and certification and undertakings and submission of Bank Guarantee. Failure to provide any of required documents or to make the payment within the time specified may result in the applicant not qualifying for the auction.

##### **b) General power of exclusion**

During the pre-qualification stage, the Commission may ask applicants to provide additional information or documentation relating to their applications.

The Commission shall retain a general power to exclude any applicant, providing any reason for such action.

#### 4.1.4 Bank Guarantee

A Bank Guarantee from a Licensed commercial bank operating in Sri Lanka of the requisite amount needs to be submitted along with the Application for prequalification. The Bank Guarantee shall be valid up to three months from the date of closing of the Auction and extendable for a further period of six months at the request of the Commission, in the prescribed format as given in **Annexure G** of Section 11.7.

In addition, the Bank Guarantee will determine the initial eligibility of bidders in the auction. The detailed method by which initial eligibility for the auction is determined is given subsequently if required. At no stage in the auction shall they be allowed to bid for more spectrum blocks than the initial eligibility corresponding to the Bank Guarantee will permit.

The Bank Guarantee will be returned following failure to pre-qualify or following the end of the auction and after meeting all the necessary obligations under the Auction Regulations, as applicable.

Without prejudice to any other remedy that may be available to it, the Commission reserves the right to forfeit the Bank Guarantee in case that:

- (i) If the Proposer having been notified of the acceptance of its application by the Commission, during the period of proposal's validity:
  - (a) Fails or refuses to execute the upcoming actions in the NoA; or
  - (b) Fails to deposit the Successful Bid Amount in the stipulated timeframe as per the Notice;
- (ii) The Proposer misrepresents facts in its application;
- (iii) The Proposer violates any of the Auction Regulations or otherwise disrupts the Auction process;
- (iv) The Proposer does not submit a response as per the NoA in the first Clock Round of the Auction;
- (v) The Proposer withdraws its proposal during the period of its validity specified in the Notice.
- (vi) The Proposer is in violation of the Integrity Pact.

## 4.2 Application Process

All the applicants shall pay the application processing fee described in section 4.2.1 and obtain Signature Certificate according to section 4.2.2.

### 4.2.1 Application Processing Fee

The Applicant shall pay a non-refundable application processing fee of LKR. 100,000/- (Rupees one Hundred Thousand) payable to **TRCSL** through a direct deposit to the TRCSL Bank Account or Bank Direct Transfer.





#### 4.2.2 Signature Certificate

The authorized person nominated by each applicant in its application shall submit a signature certificate attested by the Chief Executive Officer of each applicant with the application for each authorized person for signing documents related to the Auction.

#### 4.3 Announcement of Pre-qualified Bidders

The Commission shall put up a list of pre-qualified Bidders on the TRCSL website. At the same time, each pre-qualified Bidder shall be issued a notice (the “Bidder Participation Notice”), which shall include:

- a) Details of all Bidders’ Bank Guarantee.
- b) The instruction, which includes details on how to participate in the Auction.

#### 4.5 Submission of Application

Applications must be submitted in hard copy, to be received between 10:00am (Sri Lanka Standard Time) on ..... and 4:00pm (Sri Lanka Standard Time) on .....during office hours, at the following address:

**Director General**

**Telecommunications Regulatory Commission of Sri Lanka**

**No. 276, Elvitigala Mawatha,**

**Colombo 08 – 00800**

Applications received after the prescribed timeline shall summarily be rejected and returned unopened.

Six sets of the Application need to be submitted in separate sealed covers. The first set shall be marked as “ORIGINAL” and shall be duly signed in ink on each page by the applicant. The other five photocopies of the original set shall be marked as “COPY No. \_\_\_\_”. Each page of the Application is to be numbered. In case of discrepancies between the copies and the Original, the Original shall prevail. However, the Commission also reserves the right to summarily reject applications in case of discrepancies between the copies and the original. The name and address of the Bidder shall be displayed on each of the sealed covers. The Applicants should also submit scanned soft copy of the original set on **CD-ROM/ DVD / USB Drive/ External Hard Drive** in a single “pdf” document with pages in the same order as in the original application.

Applicants should note that, at its sole discretion, the Commission may designate another time and/ or place at which applications should be submitted. However, this power will only be used in exceptional circumstances. The alternative location will be published on the TRCSL website.

Applications should be marked:

**“Application for Pre-Qualification – Auction of Spectrum in 3500 MHz and 27 GHz Bands”**

Applications should contain:

- (i) A completed Application Form and all supporting information including the necessary undertakings;
- (ii) A non-refundable application fee of LKR. 100,000/- (Rupees one hundred thousand only) payable to the Commission, by direct deposit/ Transfer to designated bank account. The Bank Account details are as follows:  
 Bank Details:  
 Bank Name : People’s Bank  
 Bank Code : 7135 Branch Code: 119 Swift Code: PSBKLK LX  
 Account Number : 119-1001-4-3693169.
- (iii) Bank Guarantee of the value of 10% of the reserve price.
- (iv) Nomination of the authorized person(s) for future correspondence with the bidder, along with a Power of Attorney (PoA) empowering her/ him to take all decisions connected with the auction on the bidder’s behalf.

If at any later date, it is found that averments/ facts submitted by the applicant in the application based on which it has been considered eligible for the auction is incorrect or false, the Commission reserves the right to disqualify the bidder as well as take other penal action against such bidder, including but not limited to, forfeiting its Bank Guarantee as well as withdrawing any frequency assignment that may have been made to such a bidder in the auction.

Withdrawal of Applications shall be allowed by means of a written request to the Commission up to the designated date as per the Timetable specified in this NoA (as Amended from time to time).

**Table 4.5.1: Application Formats/ documents**

<b>Sl. No</b>	<b>Section</b>	<b>Annexure</b>	<b>Name/ Description</b>
1.	11.5	E	Application Checklist

2.	11.6	F	Application Format for 3500 MHz and 27 GHz Bands Auction
3.	11.7	G	Format for Bank Guarantee
5.	11.9	I	Format for an Undertaking to nominate a Group Bidding Entity for the 3.5GHz and 27 GHz Bands Auction
6.	11.13	J	Format for Ownership Compliance Certificate for the Spectrum Auction in 3.5 MHz and 27 GHz Bands
7.	11.11	K	Format of declaration by bidders
8.	11.12	L	Proforma for Integrity Pact

## 4.6 Contact and Further Information

### 4.6.1 Contacts for further Enquiries

Enquiries, if any, may be directed to the following e-mail address: [spectrumauction@trc.gov.lk](mailto:spectrumauction@trc.gov.lk). The Commission may or may not respond to any query, in part or full, at its sole discretion. In case it responds to any query, the response shall be made public through TRCSL website. However, the identity of the person making the query will not be disclosed, to the extent possible.

Further contact details for support during the auction will be separately provided to the eligible applicants.

### 4.6.2 Disclosure of further information

Following issue of this Notice, the Commission has the discretion to publish further information and to amend the Notice from time to time either on its own or in response to any clarification requested. All such amendments will constitute a part of the Notice and shall be binding for compliance on the bidders. The amendments, if any, will be notified on the TRCSL website. The queries and responses to NoA shall be the part of this NoA document.

### 4.6.3 Responsibilities of the Auctioneer

The Auctioneer is responsible for executing the auction.

## **Section 5.**

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### **5.1 Mergers & Acquisitions**

Any cellular mobile operator merged with another cellular mobile operator or any cellular mobile operator acquired by another cellular mobile operator will consider as single entity and in case of merger only one cellular mobile operator will be qualified to apply for the spectrum auction. In case of acquisition, only the cellular mobile operator who acquired the other will be qualified to apply for the spectrum auction.

### **5.2 Spectrum Audit**

For ensure efficient utilization of spectrum, Commission may undertake regular spectrum audit and appoint an independent agency for it.

### **5.3 Spectrum Sharing**

#### **5.3.1 Guidelines**

Radio Access Network Sharing is permitted from the date of 'Frequency Assignment' in the band acquired through this auction based on the Infrastructure Sharing Regulations as amended from time to time which is available on the TRCSL website.

### **5.4 Spectrum Trading**

Spectrum trading is not permitted.

### **5.5 Spectrum Surrender**

Surrendering of spectrum acquired through this auction is permitted and all the fees/ charges due to the Commission till the date of surrendering shall be paid before the frequency surrendering date. The Commission does not refund any fee/ charge even if it is over payment.

### **5.6 Breach & revocation**

The spectrum assignment may be revoked, withdrawn, varied in accordance with applicable license conditions or any other applicable laws, rules, regulations or other statutory provisions.

The spectrum assignment may also be revoked if the Commission determines the user of the spectrum to be in serious breach of any of the conditions of the assignment of the spectrum (including adherence to the Auction Regulations) and any consequent

obligation(s). In case of less serious breaches, the Commission may impose penalties at its discretion. The seriousness of the breach shall be determined by the Commission at its sole discretion.

If at any stage, the spectrum assignment is revoked, withdrawn, varied, or curtailed, no refund will be made. The Bank Guarantees may also be invoked to recover any dues payable.

## Section 6.

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### 6.1 Payment Terms

#### 6.1.1 Payment Options and procedure

Successful Bidders shall make the payment (in Sri Lankan Rupees) in accordance with any of the following two options:

**Option 1:** Full upfront payment of the bid amount within 10 days from the date of demand notice.

**Option 2:** Payment of 5 (five) annual instalments of the bid amount in advance at the beginning of each year, the first instalment of 10% (ten percent) of the bid value becoming payable within 10 days from the date of demand notice. The balance 4 instalments shall become due and payable annually on the Effective Date of each following year as follows. Before end date the first year 15% of the bid value, before end of the second year 20% of the bid value, before end of the third year 25% of the bid value and before end of the fourth year 30 % of the bid value shall be paid within 10 days from the date of demand notice. To ensure and guarantee the payments, unconditional and irrecoverable bank guarantees obtained from a licensed commercial bank shall be submitted for the whole instalment period before issuing the frequency assignment. After payment of respective annual instalment, the corresponding bank guarantee is released by TRCSL within 10 (ten) days from the date of payment.

**Table 6.1.1.1: Bank Guarantees for installments**

<b>Period:</b>	<b>Due date: from the date of frequency assignment</b>	<b>Value of the Bank Guarantee (LKR)</b>	<b>Validity Period: from the date of frequency assignment</b>
2 <sup>nd</sup> Installment	Before end of the first year	15% of the Bid Price	15 months
3 <sup>rd</sup> Installment	Before end of the second year	20% of the Bid Price	27 months after the first year
4 <sup>th</sup> Installment	Before end of the third year	25% of the Bid Price	39 months after the first year
5 <sup>th</sup> Installment	Before end of the fourth year	30% of the Bid Price	51 months after the first year

A schedule of payments is given in Tables D1 and D2 respectively of **Annexure D** of Section 11.4 to this NoA.

Successful Bidders shall deposit the Successful Bid Amount i.e., full amount or first instalment in case of deferred payment option within ten (10) calendar days of the issuance of **Demand Notice** by the Commission, failing which the bank guarantees shall stand forfeited. In case the due date of payment is a Saturday, Sunday or a public holiday, the due date for payment will be considered as the next working day.

All payments will need to be made by the successful bidders into the designated account that shall be specified by the Commission.

### **6.1.2 Pre-Payment**

Pre-payment of one or more instalments will be allowed on any date before the due date. If there is more than one instalment to be pre-paid, the total amount pre-paid would be the sum of each instalment.

## **Section 7.**

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### **7.1 Assignment of Spectrum**

#### **7.1.1 Issuance of Frequency Assignment Letter and Radio Frequency Licence**

The Commission shall issue a Frequency Assignment Letter specifying the frequencies to the successful bidder within thirty (30) calendar days from the date of receipt of first instalment amount in case of deferred payment option, or the date of receipt of full payment in case of full payment option. A radio frequency licence shall be issued after the payment of annual frequency charges specified in the Gazette extraordinary No. 1,497/23 and additional 20% as per the budgetary proposal in year 2022 with all taxes and Levies applicable at the time of payment.



## Section 8.

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### 8.1 Roll-out Obligations

The licensee to whom the spectrum is assigned shall have network rollout obligations as detailed in this section. The obligation reflects both the need to ensure the efficient use of spectrum and provide a reasonable level of service to customers. The Successful Bidder shall make its own arrangements for all infrastructure involved in rolling out of the network and shall be solely responsible for installation, commissioning and operation of all necessary equipment and systems.

The Successful Bidder shall make its own arrangements for Right of Way (RoW) and other necessary permissions/ clearances required as per relevant laws/ regulations/ directions of the respective agencies. Non-availability of the delay in getting permission/clearance from any agency shall not be construed or taken as a reason for non-fulfilment, or delay in compliance of the Roll-out obligations and shall not be taken a valid reason for not carrying out any obligations imposed by the terms of this NoA.

### 8.2 For 3500MHz and 27000MHz bands

The following rollout obligations have to be fulfilled by the bidders acquiring spectrum through this auction by either 3500 MHz or 27000 MHz frequency bands:

**Table 8.2.1: Rollout Commitment Targets**

Phase	Rollout Target (cumulative Number of Sites)	Value of Bank Guarantee (BG) (LKR Million)	Validity of BG
1 <sup>st</sup> Year	300	350	15 months
2 <sup>nd</sup> Year	650	350	15 months
3 <sup>rd</sup> Year	1050	350	15 months
4 <sup>th</sup> Year	1500	350	15 months
5 <sup>th</sup> Year	2000	350	15 months

\*Note: Addition to the requesting proof documents a comprehensive report should be submitted within three days from the laps of the each commitment period.

### **8.3 General rollout obligations for 3500 MHz and 27 GHz bands**

- (a) Each milestone of the rollout obligations as mentioned above would be considered as cumulative values.
- (b) The rollout targets are considered collectively and do not consider targets separately for each band.
- (c) The further expansion shall lie with the Licensee depending on their business decision.
- (d) The obligations shall have to be met by setting up owned or shared active and passive infrastructure.
- (e) If the coverage obligations are achieved by refarming existing allocations or getting allocated a new spectrum in latter stages also considered collectively with new rollout targets as the fulfilment of rollout targets of this allocation.

### **8.4 Verification of Roll Out Targets**

- (i) For the purpose of verification of the network rollout , licensee shall directly coordinate with Spectrum Management Division of the Commission.
- (ii) Final Acceptance Test Certificate is to be treated as date of meeting the roll-out obligation in case of successful verification of the network rollout for the purpose of compliance of rollout obligations and for calculating liquidated damages, if applicable, in terms of condition No 8.7 mentioned below.
- (iii) The licensee has to submit a self-certificate list for fulfilment of roll out obligations of required number of Sites. The details of the 5G coverage by a licensee shall also be provided while communicating the Acceptance Test Certificate to the Commission. The Commission will carry out sample testing of 10% of such self-certified list.
- (iv) To keep the customers informed about 5G roll out, the operator shall publish the network deployment map on their website depicting the areas where the services have been launched using 3500 MHz & 27 GHz bands.

### **8.5 Network Security Baseline**

#### **(a) Baseline security controls for mobile network operator**

Mobile network operators are recommended to deploying along with references GSMA Mobile Cybersecurity Knowledge Base, a comprehensive toolkit to help operators identify, map and mitigate risk. The solution description for each control identifies specific advice that allows the operator to fulfil the control objectives

Ref: FS.31 Baseline Security Controls ([https://www.gsma.com/solutions-and-impact/technologies/security/gsma\\_resources/fs-31-gsma-baseline-security-controls/](https://www.gsma.com/solutions-and-impact/technologies/security/gsma_resources/fs-31-gsma-baseline-security-controls/))

**(b) Product security standard for all mobile equipment suppliers**

Product security is the responsibility of network equipment suppliers. The Commission suggest that mobile industry recognized standards Network Equipment Security Assurance Scheme (NESAS) and Security Assurance Specification (SCAS), jointly defined by 3GPP and GSMA, as a good reference for equipment security requirements

Ref: Network Equipment Security Assurance Scheme (NESAS) (<https://www.gsma.com/solutions-and-impact/industry-services/certification-services/nesas-documents/>)

## Section 9.

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### 9.1 The Auction

The Auction shall be as per the provisions in clause 18.4 of the Auction Regulations with Clock price increments from round to round shall 5% as per the provisions in clause 18.4.7.2 of the Auction Regulations. Sample documents of the auction shall be provided to bidders in prior to conducting a mock auction.

Winning bidders of the spectrum block(s) in each clock round in the auction shall be determined in each Clock round of the Stage. In the auction, since the maximum number of blocks a bidder can bid is restricted on the basis of the applicable bidding caps, it is not possible for a bidder to win more than the same in the NoA. The second stage is the frequency identification stage. At the frequency Identification Stage, specific frequencies will be identified for the winning bidders. More specifically, the two stages shall operate as follows:

#### 9.1.1 Clock Stage

The Clock Stage, as elaborated in Section 9.8, will establish the bidders and the number of block(s) to be awarded. In this stage, bidders will bid for blocks of spectrum – as per the band wise block size as mentioned in the Table 9.5.1

The Clock Stage will have several rounds. These rounds will stop once:

- (i) The Activity Requirement is 100% (Details as mentioned in Section 9.8.2 hereunder);  
and
- (ii) There is no bid submitted by any of the bidders in a clock round.

The Clock Stage will establish a common winning price and winning bidders for all blocks in the 3500 MHz band bundled with 27GHz band. Winning bidders will pay the sum of the relevant winning prices for bands in which they are successful.

#### 9.1.2 Frequency Identification Stage

The Clock Stage will be followed by a Frequency Identification Stage to identify specific frequency blocks for the winning bidders. The frequencies identified will be announced simultaneous with the outcome of the Clock Stage.

The Commission reserves the right to change the frequency assignment at any point over the duration of the relevant licenses where this is required for harmonizing bands and promoting spectrum efficiency.

## **9.2 The Mock Auction**

For the benefit of bidders, a Mock Auction shall be conducted to familiarize the bidders with the Auction Regulations and bidding methodology to be applied and followed during the auction. The dates for the Mock Auction are provided in the Auction Timetable in Section 1.2. The Commission reserves the right to change these dates. Any change in the dates for the Mock Auction shall be notified through electronic means, at least one day in advance of the start of the Mock Auction.

## **9.3 General Conditions**

### **9.3.1 Confidentiality**

Confidential Information means any non-public information which, if known to other bidders, would be likely to affect the price that the other bidders would be prepared to bid in the auction or the bidding strategy that other bidders would adopt. Such confidential information shall include (but not necessarily be limited to) the bidder's business case, auction strategy and the highest price it is willing to bid for spectrum. Any party to whom confidential information in relation to a bidder is disclosed is deemed to be an insider in relation to that bidder. Bidders must not convey confidential information to any other person, including another bidder. Bidders shall also not be permitted to disclose the status of their participation, including whether they continue to bid in the auction, until the completion of the auction.

### **9.3.2 Advisers and Consultants**

No third-party advisers or consultants, whether individual or corporate, can act for, or on behalf of, or advise more than one Bidder that is participating in the auction.

## **9.4 Conduct of the Auction**

It would be the responsibility of the respective bidders to take reasonable steps to ensure that they have a reliable means of accessing the auction.

Each pre-qualified bidder can participate in the auction for bidding. The two (2) authorized persons representing a bidder can directly submit bids and others, from disqualified applicants and other interested parties/ persons shall be treated as observers. Such observers will be limited to 20 people considering limitations in the venue and other logistic facilities. The commission allows such participation on first come and first served

basis. The pre-qualified bidders need to submit the details of the two representatives to the Commission in advance and before the mock auction.

### 9.5 Overview of the Block sizes

Spectrum available for award in this process will be assigned by auction. The auction for spectrum in the bands 3500 MHz and 27 GHz will be conducted simultaneously.

**Table 9.5.1: Block size and Minimum amount of spectrum for bidding**

Band	Block Size MHz	Available quantity	Wining Quantity
3500 MHz	50 MHz (unpaired)	Four Blocks	Continuous two blocks coupled with 27 GHz Band
27 GHz	100 MHz (unpaired)	Four Blocks	Continuous two blocks coupled with 3500 MHz Band

Notes:

- (i) Bidding is subject to caps for spectrum holding as per **Annexure B**.
- (ii) A Bidder shall be categorized as an “Licensee” at the auction time.

### 9.6 Award of Spectrum in Auction

The award of spectrum is a two-stage process, a clock stage followed by a frequency identification stage, as detailed in 9.1.1 and 9.1.2 above. Winning bidders will pay the sum of the relevant winning prices for the bands (Spectrum Blocks) in which they are successful. All winning bidders will have the same winning prices as a consequence of the Auction Regulations.

### 9.7 Spectrum Holding Capping Rule

For the purpose of this Auction the bidding by the bidders in each of the bands will be restricted by various applicable caps as mentioned in **Annexure B** of Section 11.2.

## 9.8 The Clock Stage

### 9.8.1 Overview

- a) In the Clock Stage, bidding proceeds in rounds (Clock Rounds).
- b) In each Clock Round, bidders will be announced the Clock Round Price per block for each of the block in all the bands, where spectrum is put to auction. Therefore, in each Clock Round, a bidder's decisions will consist of Yes / No choice for all the blocks whether to make a bid at a price equal to the current Clock Round Price.
- c) By bidding, if that bid becomes a Provisional Winning Bid, the bidder commits to buy the block(s) at the winning price of the Clock Round at which the bid was submitted, unless revised in the subsequent rounds with a higher Clock Round price.
- d) A Clock Round will be closed at a finishing time specified by the Auction Administrator, by which time all bidders must have placed their bids. The finishing time is subject to provisions for rounds to be extended and re-scheduled, discussed in Section 9.8.6.
- e) In the first Clock Round, the price per block in each of the bands will be set equal to the Reserve Price (upfront fee). For subsequent rounds, the Clock Round Prices in each of the bands will be set depending on excess demand in the previous completed Clock Round. The excess demand will be determined by the total number of blocks for which the prices have been quoted, vis-a-vis the total number of blocks available in each of the bands for a particular Clock Round Price (which may be the same for more than one round). The following rules would be applicable:
  - (i) If excess demand is zero, the Clock Round Price in the band will be equal to the Clock Round price in the last completed Clock Round;
  - (ii) If excess demand is positive, the Clock Round price in the band will be equal to the Clock Round Price in the last completed Clock Round plus a strictly positive price increment.
- f) If a new Clock Round is required, further bids will be invited at the new Clock Round Price. The Clock Rounds will continue until demand can be satisfied. The final Clock Round will be the round in which:
  - (i) There is no bidding activity in any of the bands; and
  - (ii) The spectrum block requirement of each bidder reaches to the maximum level
- g) All Provisional Winning Bids at the end of the final Clock Round will become Winning Bids. The Provisional Winning Prices of the final Clock Round will become the Winning Prices. The Provisional Winning Bidders in the last Clock Round will become the Winning Bidders who will then be awarded the number of blocks (as available) from each of the bands at the equal Winning Price.

### 9.8.2 Activity Rules

If the aggregate demand equals or is less than the available supply, this is the end of the clock stage, and the lot quantities shall be assigned to the bidders according to their expressed demand.

If the aggregate demand exceeds the available supply, another round with a higher clock price shall follow.

If the aggregate demand exceeds the available supply at the reserve price, the clock price shall be increased for the second round. Clock price increments from round to round shall be 5%. The second round is opened after a time period announced by the Auctioneer during which the bidders have time to plan their strategy for the next round.

In the second round, bidders shall be again invited to state their within a designated time period.

The duration of the rounds and the pauses between them may be varied, depending on the experience of the bidders and the complexity of the decisions they need to make after each round.

Withdrawals or changes of bids shall not be permitted once the bids have been submitted. The clock stage shall end when the aggregate demand at the clock price in a round equals the available supply or falls below it.

- i. If demand at the clock price equals supply at the end of the last round, the available lots shall be distributed among the bidders according to their expressed demand.
- ii. If demand at the clock price fell below supply, lots shall be assigned to the bidders according to their expressed demand.

To assign lots that shall remain unsold at the end of the clock stage, a single-round sealed-bid auction with second price rule shall be used, with a reserve price that shall equal to the last clock price at which demand exceeds supply.

### 9.8.3 Ranking of Bidders and Provisional Winning Bidders

For the purpose of determining the Provisional Winning Bidders for both bands will be considered at the end of each Clock Round. The Provisional Winning Bidders would be ranked at the end of the Clock stage using the following criteria:

1. In descending order according to the Clock Round Price in the respective band in the Clock Round when the bid was made.

Further, a bidder would be declared as a Winning Bidder only if he is allocated the minimum number of blocks required for each category of bidders for in each of the bands as specified in Table in [Section 9.5](#).



#### **9.8.4 Prices and Price Increments**

In the first Clock Round, the Clock Round price per block in all bands will be the Reserve Price as determined by the Commission. At the end of a Clock Round, Excess Demand in each of the bands is defined to be:

- The total number of Block(s) for which Bids received in a particular band at a price equal to the Clock Round price set in the last completed Clock Round;
- The number of Blocks put up for auction in the particular band.

Clock Round Prices for the next Clock Round would be set according to the following rules:

- If Excess Demand is negative or zero in a particular band, the Clock Round price for blocks in this particular band in the next Clock Round will be set equal to the Clock Round price in the last completed Clock Round;
- If Excess Demand is positive in a particular band, the Clock Round price for blocks in this particular band in the next Clock Round will be set equal to the Clock Round price in the last completed Clock Round plus a strictly positive price increment.

#### **9.8.5 Winning Bids and Winning Prices**

The final clock round will be the first clock round in which:

- The Activity Requirement is 100%; and
- In all the bands, there is single bid or no bid submitted by any of the bidders i.e., bidding activity is nil.

The Winning Price in a band at the end of the final Clock Round will become the Winning Price that particular band, and final Bidder for a particular block will become Winning Bidder. Winning Bidder will be required to pay the Winning Price they have won in each of the bands. The Winning Price per block for all the Winning Bidder(s) will be the same. The Winning Price to be paid by a Winning Bidder will never be lesser than the highest bid of a Winning Bidder in a particular band.

Note: Winning prices are exclusive of applicable taxes.

#### **9.8.6 Length of Clock Rounds and Extension Periods**

Clock Rounds will typically be scheduled to begin between the hours of 09.00 and 19.30 (Sri Lanka Standard Time) on Monday to Friday (inclusive of both days a), except national holidays. However, the Auction Administrator reserves the right not to schedule Clock Rounds on one or more days, to extend or curtail the number of hours in the day during

which rounds will be scheduled, or to run rounds on any day once the auction commences at its absolute discretion in order to ensure the smooth running of the auction.

Prior to the start of any Clock Round, the Auction Administrator will notify bidders of the starting and finishing time of the next Clock Round through the Auctioneer. At least 15 minutes notice will be given of the start of the next Clock Round. Also, Bidders will be notified in advance of the starting time and date of the first Clock Round. At the initial stage, a Clock Round will be for a duration of ninety (90) minutes each for the first five (5) rounds. Round duration of subsequent rounds will be of sixty (60) minutes each.

During a Clock Round, a Bidder will make his bid consisting of the following:

- A “Yes” / “No” option where the bidder is eligible to bid.
- Number of Blocks subject to the capping rule.

Based on the selection in each band and the Number of Blocks, the Auctioneer will check and display the following to the respective bidder:

- If the selection made is compatible with the Bank Guarantee which the bidder has submitted for participation in the auction.
- Additionally, the selection has to be compatible with the requirements of the Activity Rules.
- The Bidder’s eligibility for the Next Round would also be evaluated and displayed to the bidders.

Only those bids which are compatible with all the rules and regulations of the auction will be accepted by the Auctioneer. The respective bidder’s will be given an appropriate message of acceptance of their bids by the Auctioneers.

It would be the responsibility of the respective bidders to ensure that their bids are received by Auctioneer prior to the end of the Clock Round. For the purposes of determining whether or not a Bid is received prior to the end of the Clock Round, the Auctioneer must receive the Bid submission by the end of the Clock Round. Bidders should be aware that it takes a finite amount of time. Bidders submitting decisions close to the end of the Clock Round do so entirely at their own risk of failing to meet the Clock Round deadline.

After the end of a Clock Round, the results would be announced in each of the bands. If there is bidding activity in any of the bands and a further Clock Round is required, this Clock Round will be scheduled and the start and finish times announced to bidders through the subject to at least 15 minutes’ notice of the start of the next Clock Round.

## 9.9 Frequency Identification Stage

The Clock Stage will be followed by a Frequency Identification Stage that will identify specific frequencies for the Winning Bidders. The frequencies identified will be announced simultaneous with the outcome of the Clock Stage. The Frequency Identification Stage will be performed by the Auctioneer in all the bands.

### For 3500 MHz and 27.0 GHz Bands

The winners to be considered rank wise for assignment of spectrum (first ranked bidder to be assigned first) in the following manner:

- (a) The Auctioneer picks the first/remaining bidder from the list of provisional winners and looks for a continuous frequency block equal to the bidder's winnings, starting from the block named as 'A' or '1'.
- (b) If the winner is assigned its winning quantity completely, moves to the next winner (rank wise) or else the next block chunk using the above logic is selected.
- (c) The iteration runs (from (a) above)

The loop terminates once all assignments have been made to all the winners.

### • Contiguous Spectrum

Assignments will be performed for bidders who have won a 50 MHz spectrum in 3500 MHz band and 100 MHz in 27GHz band. All such bidder(s) will be considered for contiguous spectrum of 100 MHz in 3500 MHz and 200 MHz in 27 GHz band in order of their ranking, subject to availability of sets of contiguous spectrum.

## 9.10 Collusion and other Prohibited Activities

The Commission reserves the right to disqualify any Bidder that:

- Colludes or attempts to collude with another bidder in determining its bids OR releases confidential information with the effect or intention of modifying the bidding behavior of other pre-qualified bidders;
- Prevents or attempts to prevent any other Bidder from accessing the Auction.
- Attempts to influence the decisions of the Auctioneer in conducting the auction;
- Obstructs or attempts to obstruct the running of the auction;
- Provides wrong information in its Application to participate in the auction.

In the event of such disqualification, a bidder's Bank Guarantee will be forfeited, and the Commission may undertake other penal action as well against such a bidder. The Commission reserves the right to impose a fine equal to some or all of a bidder's deposit for less serious breaches of these rules. Such fines shall be deducted from that bidder's Bank Guarantee.

### **9.11 Information Policy**

Prior to the start of the auction, the Commission will make public:

- The list of applicants.
- The list of pre-qualified bidders along with information provided in such Bidders' applications, their ownership structures; The amount of Bank Guarantee provided by the bidder.
- Final list of bidders after considering withdrawals if any

During the Clock Round stage, the following information will be provided to bidders after each completed Clock Round:

- The Clock Round price per block for each of the bands in the last completed Clock Round;
- The total number of blocks for which bids have been received for each of the bands in the last completed Clock Round;
- The Aggregate Demand for each of the bands at the Clock Round prices in the last completed Clock Round.
- The Excess Demand in each of the bands at the Clock Round prices in the last completed Clock Round
- If the last completed Clock Round was not the final Clock
- Round, the following information will also be provided to each bidder:
- The Provisional Winning Price in each of the bands at the end of the last completed Clock Round;
- The Provisional Winning Blocks (if any) held by the respective bidder in each of the bands at the end of the last completed Clock Round;
- The price at which any such Provisional Winning Blocks were allocated to the bidder as a Provisional Winning Bidder;

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- The rank of the Provisional Winning Bidder in each of the bands at the end of last completed Clock Round;

If the last completed Clock Round was not the final Clock Round, the following information will be provided to each bidder at the time at which the next Clock Round is scheduled:

- The price increment to be applied in each of the bands; and
- The Clock Round price per Block in each of the bands that will apply for the next Clock Round.

At the end of the final Clock Round, the following information will be provided to all bidders:

- That the last completed Clock Round was the final Clock Round;
- The Winning Prices; and
- The identities of the Winning Bidders.

Information relating to the specific bids made by bidders (whether successful or not) will not be provided at the end of each Clock Round (other than the information provided about the Winning Bids after the final Clock Round), but will be made public in their entirety subsequently after the Frequency Identification Stage.

## Section 10.

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### 10.1 Definitions and Glossary of Terms

27 GHz	Radio spectrum frequencies in the 27 Gigahertz band (27.0-27.4 GHz) (TDD)
3500 MHz	Radio spectrum frequencies in the 3500 MHz Megahertz band (3400 -3600 MHz) (TDD)
AAR	Auction Activity Requirement
Activity Rules	Shall have the meaning as described in Section 9.8.2
Aggregate Demand	The total number of Bids for the Blocks at a value equal to the Clock Round price in the last completed Clock Round.
Applicant	Person making an Application against this NoA
Application	Application for participating in Auction, to pre-qualify.
Application Form	Format for submitting the Application as per Table 4.5.1
AS	Access Services
Auction	Auction of the Spectrum in 27.0GHz, 3500 MHz, bands
Auction Administrator	Auction Committee
Auction Rules	Rules governing the conduct of the Auctions.

Auctioneer	Appointees by the Commission
Authorized Person	Nominated authorized person for future correspondence with the Applicant having a Power of Attorney from the Applicant empowering him / her to take all decisions connected with the relevant Auctions on behalf of the Applicant. Materials essential for bidding in the Auction(s) will be provided to the Authorized Person using contact details provided in a Bidder’s Application
Bank Guarantee	A guarantee from a licensed commercial bank, in the prescribed format.
BAR	Bidding Activity Requirement
Bid	Bidder’s statement in each Clock Round of the Clock Stage (in the form of a “Yes / No” choice and for the Number of Blocks) offering to purchase spectrum usage rights for a block-at the current Clock Round price, in accordance with the terms and conditions.
Bidder	Pre-qualified Applicants that do not withdraw their application before the withdrawal deadline.
Bidder Participation Notice	Notice issued to pre-qualified Bidders that shall include each pre-qualified Bidder’s.
Clock Round	Individual rounds of the Clock Stage as described in the Auction Rules.
Clock Stage	The first stage of the relevant Auctions as described in the Auction Rules.
Confidential Information	Any information which, if known to other Bidders, would be likely to affect the price that the other Bidders would be prepared to bid in any of the Auctions. Such information would include (but not necessarily be limited to) the Bidder’s business case, auction strategy and the highest price it is willing to bid for spectrum
Effective Date	Effective Date as defined in Section 2.6.
Excess Demand	The total number of Blocks for which bids have been received in a particular band at a Clock Round price equal to the Clock Round price set in the last completed Clock Round minus the number of blocks available in that particular band.

Frequency Identification Stage	The second stage of the relevant Auctions as described in the Auction Rules.
Initial Eligibility	The criterion to eligible for participation in the Auction for which minimum baseline will be successful submission of application and amount of Bank Guarantee.
Insider	Any party to whom Confidential Information in relation to a Bidder is disclosed.
LoI	Letter of Intent
Mock Auction	A mock auction to familiarize the Bidders with the Auction Rules and bidding methodology.
New Bids	Bids where the Bidder has not been determined to be a Provisional Winning Bidder at the end of the last completed Clock Round where the Bidder submits a bid in the current Clock Round. Also, where the Bidder was a Provisional Winning Bidder for a certain number of blocks and where the Bidder revises the same and submits a bid in the current clock round.
NoA	Notice of Assignment
Nomination Form	Joint undertaking nominating the Group Bidding Entity jointly executed with the Group Bidding Entity.
Notice	Notice of Assignment for participation in the Auctions together with any amendments thereof.
Ownership Compliance Certificate	An undertaking from the Applicant confirming that it complies with the ownership restrictions in view of the other Applicants.
Provisional Winning Bidders	Bidders who hold the Provisional Winning Blocks.
Provisional Winning Block	The number of blocks held by the Provisional Winning Bidder.
Provisional Winning Price	The lowest round clock price at which the Provisional Winning Blocks are determined.
Reserve Price	The minimum bid price per block was determined by the Commission and notified.
RTGS	Real Time Gross Settlement
SACFA	Standing Advisory Committee on radio Frequency Assignments



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Successful Bidder(s)	The Bidder(s) who at the end of the relevant Auctions is confirmed as a Winning Bidder(s) in a particular band by the Commission
The Commission	Telecommunications Regulatory Commission of Sri Lanka
TRCSL	Telecommunications Regulatory Commission of Sri Lanka
TSTP	Test Schedule and Test Procedure

## Section 11. Annexures

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### 11.1 Annexure A: Details of Spectrum put to auction

**Spectrum put to Auction, Number of Blocks, Reserve Price per MHz, Reserve Price per Block, Bank Guarantee per Block, Eligibility Points per Block for auction of Spectrum**

<b>Table A1 3500 MHz Band Block Size: 50 MHz unpaired</b>				
<b>Quantum on sale (MHz) (Unpaired)</b>	<b>No of Blocks</b>	<b>Reserve Price per MHz (Rs)</b>	<b>Reserve Price per Block (Rs)</b>	<b>Value of the Bank Guarantee per Block (Rs)</b>
200	4	LKR 45,000,000.00	LKR 2,250,000,000.00	LKR 225,000,000.00

<b>Table A2 27 GHz Band Block Size: 100 MHz unpaired</b>				
<b>Quantum on sale (MHz) (Unpaired)</b>	<b>No of Blocks</b>	<b>Reserve Price per MHz (Rs)</b>	<b>Reserve Price per Block (Rs)</b>	<b>Value of the Bank Guarantee per Block (Rs)</b>
400	4	LKR 1,350,000.00	LKR 135,000,000.00	LKR 13,500,000.00

### 11.2 Annexure B: Details of Spectrum holding caps

In 3500 MHz (in MHz)	In 27 GHz (in MHz)
100	200

### 11.3 Annexure C: Details of Price Increment rule

Table C1: 3500 MHz Band	
Excess Demand (In Blocks)	Price Increment as a Percentage of previous Clock Round Price
Less than ZERO (Negative)	0%
From ZERO up to 4 blocks	5.0%

Table C2: 27 GHz Band	
Excess Demand (In Blocks)	Price Increment as a Percentage of previous Clock Round Price
Less than ZERO (Negative)	0%
From ZERO up to 4 blocks	5%

### 11.4 Annexure D: Indicative Schedule for Payment

**TABLE D1: 1.** Indicative Schedule for Payment of the amount upfront.

Full Amount Due	Winning Bid Price
Assumed Date of first payment	Within 10 days from demand notice date.

Effective Date of Spectrum Assignment	Frequency assignment letter date
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**TABLE D2: 2.** Indicative Schedule for Payment by Five Installments

<b>Schedule of Payments</b>		
<b>Instalment</b>	<b>Due Date for Payment</b>	<b>Amount (Rs.)</b>
1 <sup>st</sup> instalment	Within 10 days from demand notice date.	10% of the winning Bid Price
2 <sup>nd</sup> instalment	Before end date the first year	15% of the winning Bid Price
3 <sup>rd</sup> instalment	Before end date the second year	20% of the winning Bid Price
4 <sup>th</sup> instalment	Before end date the third year	25% of the winning Bid Price
5 <sup>th</sup> instalment	Before end date the fourth year	30% of the winning Bid Price

**11.5 Annexure E: Application Checklist**

Sl.No	Particulars	Please Tick	Page number of Application Document
1	Completed Application Form	<input type="checkbox"/>	
2	Completed Declaration as per <b>Annexure K</b>	<input type="checkbox"/>	
3	Certified copy of Certificate of Registration along with Articles of Association and Memorandum of Association. Company Secretary to certify the copy. In case of vacancy in the post of Company Secretary, an authorized signatory's signature will suffice.	<input type="checkbox"/>	
4	Self-certification from the Company Secretary of his/ her name and membership number	<input type="checkbox"/>	
5	Certificate from Company Secretary certifying details of Promoters/Partners/Shareholders/ Merger Entities in the Company and breakdown of the equity of the Company	<input type="checkbox"/>	
6	Certificate from Company Secretary certifying the paid up Capital	<input type="checkbox"/>	
7	Certificate from Company Secretary certifying the net worth	<input type="checkbox"/>	
8	Bank Guarantee from a licensed commercial bank	<input type="checkbox"/>	
9	Power of Attorney by Resolution of Board of Directors that the person signing the Application is an authorized signatory ( <i>Copy to be certified by Company Secretary and duly stamped and notarized</i> )	<input type="checkbox"/>	
10	Non-refundable application fee of Rs. 100,000/- payable to TRCSL.	<input type="checkbox"/>	
11	Duly signed Integrity Pact as per Annexure L	<input type="checkbox"/>	
12	Signature Certificate	<input type="checkbox"/>	

## 11.6 Annexure F: Application Format

### APPLICATION FOR PARTICIPATING IN 3500 MHz and 27 GHz Bands AUCTION

#### General instructions:

- (a) All the pages of the form/ supporting documents must be separately signed along with the rubber stamp by the Authorized Signatory or Company Secretary, as required. The name and designation of the signatory and the stamp of the relevant company must also appear wherever documents have been signed.
- (b) In case the Applicant has to furnish no information against any of the items below, either 'Nil', 'No' or 'Not applicable', as the case may be, should be mentioned. If in the information supplied, against any item, a dash is marked or is left blank, it shall be treated as incomplete, and the Application may not be considered for further processing.
- (c) All undertakings are to be provided on the letterhead of the relevant Company.

1. Name of Applicant Company:

*(Note: Attach certified copy of Certificate of Registration along with Articles of Association and Memorandum of Association. The Company Secretary is required to certify the copy.)*

2. Complete postal address with Telephone/ Fax numbers/ e- mail address

i) Corporate Office

ii) Registered Office

3. Address for correspondence with Telephone/Fax numbers/email address. Please provide at least one fixed and one mobile telephone number on which the Authorized Person can be contacted during the Auction. It is the Applicant's responsibility to ensure that ALLALL these means of communications are working and being monitored regularly from the date of Application to the conclusion of the Auctions:

a) A complete Postal Address

b) Fixed telephone number

c) Mobile telephone number

d) E-mail address

- 4. Name of the Company Secretary certifying the documents along with his/her Membership number

*(Note: Attach self-certification from the Company Secretary. In case there are more than one Company Secretary certifying documents, the details or self-certification of all these Company Secretaries to be submitted.)*

- (a) Names and National Identity Card (NIC) or passport numbers of the authorized signatories of the different companies that are signing the Application or any attachment to it. Where the authorized signatory does not possess an NIC or passport, other documents like a Driving License will be acceptable.

- 5. Name of Authorized Person, designation, address and Telephone/Fax numbers/email address and her/his specimen signature counter-signed by the authorized signatory.

*(Note: Attach Power of Attorney empowering him/ her to take all decisions connected with the Auction, on the Bidder's behalf including but not limited to, the authority to put in Bids to commit payment of the necessary amount if the Bidder is granted spectrum.*

*(Note: Applicants can authorize one more person, who would act as the Alternate Authorized Person in case of non-availability of the primary Authorized person. In case of any duplication of submissions made by the Applicant, the submission signed by the primary Authorized Person would be considered as final and binding)*

- 6. **a) Net worth and paid-up capital of the applicant Company may be provided as detailed below:**

- I. Net worth (As on date/ as on the working day previous to the date of application)  
.....
- II. Net worth (As on last audited statement)  
.....
- III. Net worth (As on last audited statement)  
.....
- IV. Paid Up capital (As on date)  
.....
- V. Paid Up capital (As on last audited statement)  
.....

**b) Details of Promoters/ Partners/ Shareholders in the Company:**

S. No	Name of Promoter /Partner/ Shareholder/ Merged entity	Sri Lankan/ Foreign	Equity Percentage	Net Worth (As on date)	Net Worth (As per last audited statement)	Paid- up capital	Whether it is to be counted for calculating the net worth towards the eligibility for bidding (Yes/No)

7. List of Radio Frequency license(s) held by the Applicant, if any. Please mention operative licenses (i.e. licenses which are currently in force) only.

Type of the License	Name of the Company

8. List of telecom service license(s) held by the Applicant and its allies/sister concerns/partners, if any, and their present status:

Type of the License (Cellular/ Data/Satellite etc.)	Name of the Company	Status whether operative/surrendered/ Terminated

*(Type of the License means Cellular/Data /Satellite licenses etc. Details of all the Licenses held by Allies/sister concerns/Partners or legal entities with 10% or more common equities must be shown separately.)*

9. Paid up capital of the Company (certificate from Company Secretary certifying the paid-up capital to be provided.)

*(Note: Paid up capital to be provided as on the date of application.)*

10. The number of spectrums lots eligible corresponding to the Bank Guarantee.

*(Note: Attach Bank Guarantee)*

11. Power of Attorney by Resolution of Board of Directors that the person signing the Application is an authorized signatory.



*(Note: Copy to be certified by Company Secretary and duly stamped and notarized.)*

12. Net worth of the Company (certificate from Company Secretary or authorized signatory certifying the net worth to be provided).

**Certificates/ undertaking:**

- A. I hereby certify that the Applicant has carefully read the Notice and undertakes to fully comply with the terms and conditions of the Notice.
- B. I hereby certify that the Applicant is legally capable of both bidding for and satisfying its obligations under the terms and conditions for award of the spectrum and the Radio Frequency License (as applicable), including but without limitation to any approvals, consents, permissions and board approvals from its holding company(ies) under any laws or rules and regulations issued by any governmental or regulatory or supervisory body.
- C. I hereby certify that neither the Applicant is the subject of criminal or civil proceedings that could be expected to adversely affect its business or its ability to bid in the Auction.
- D. I hereby certify that the Applicant will accept the changes required to be made to the existing licenses held by it as a precondition to or as a consequence of the assignment of spectrum.
- E. I hereby certify that the Applicant understands that this Application, if found incomplete in any respect and/ or if found with conditional compliance or not accompanied with the Bank Guarantee, shall be summarily rejected.
- F. I hereby certify that the Applicant understands that the processing fee is non-refundable irrespective of whether or not the spectrum is granted to it.
- G. I hereby certify that the Applicant will intimate the Commission promptly in case of any change in the information submitted as part of the Application.
- H. I hereby certify that the Applicant will comply, and ensure that all of its Insiders will comply with the terms and conditions of the Notice relating to confidentiality.
- I. I hereby certify that the Applicant understands that all matters relating to the application or spectrum if granted to it will be subject to jurisdiction of Sri Lanka.
- J. I hereby certify that the Applicant understands that if at any time, any averments made or information furnished as part of this application is found incorrect, then its application and the spectrum if awarded on the basis of such application shall be cancelled.
- K. I certify that the information provided in this Application (including the attachments) is true, accurate and complete to the best of my knowledge.

Date:

Signature and name of the Authorized Signatory

Place: (Company's Seal)

**Note:**

- i. There should be a Power of Attorney/Board Resolution in Favor of each of the authorized signatories authorizing the concerned person to sign the Application including the relevant undertakings.
- ii. Signature of the Authorized Person should be counter-signed by any other authorized signatory, in case the Authorized Person is also an authorized signatory for the purpose of the Application.
- iii. Only a single application can be submitted by a merged entity with respect of all the eligible companies within a Group.
- iv. Company Secretary of the relevant company should sign and certify the forms where required.
- v. There is no specific format for Power of Attorney, but it should be on stamp paper of the state in which the office is situated.
- vi. Certificate of paid-up capital and certificate of net worth – please indicate on the letter head of the Company.
- vii. Directors and Authorized Representatives of the Applicant Company will also be authorized signatories with respect to the application. There should be a Power of Attorney/Board Resolution in Favour of each of the authorized signatories authorizing the concerned person to sign the Application including the relevant undertakings.
- viii. Applicants are required to inform the Commission promptly in case of any change in the information submitted by them as part of their application.
- ix. In case of vacancy in the post of company secretary, an authorized signatory's signature will suffice.

## 11.7 Annexure G: Format for Bank Guarantee

*(in the form of a Bank Guarantee from a licensed commercial bank)*

To,

The Telecommunications Regulatory Commission of Sri Lanka

2. Whereas **<Full name of the Applicant>** (hereinafter called “**the Proposer**”) desires to submit the proposal for participating in the Auction for spectrum in the 3500 MHz and 27 GHz Bands in compliance to TRCSL NoA No\_dated\_.

Know all men by these presents that we **<Name of the Bank>** (hereinafter called “**the Bank**”) are bound unto the Telecommunications Regulatory Commission of Sri Lanka (hereinafter referred to as “the TRCSL”), in the sum of **<Amount in figures>** (**<Amount in words>**) for which payment will and truly be made to the said Authority, the Bank binds itself, its successors and assignees by these presents.

3. The conditions of this obligation are:

- (i) If the Proposer having been notified of the acceptance of its proposal by the TRCSL, during the period of the proposal’s validity:
  - (a) Fails or refuses to execute the contract form, if required; or
  - (b) Fails to deposit the Successful Bid Amount in the stipulated timeframe as per the Notice;
- (ii) The Proposer misrepresents facts in its application;
- (iii) The Proposer violates any of the Auction Rules or otherwise disrupts the Auction process; The Proposer does not bid in the first Clock Round of the Auction;
- (iv) The Proposer defaults on its bid; The Proposer withdraws its proposal during the period of its validity specified in the Notice.
- (v) The Proposer is in violation of Integrity Pact.

We undertake to pay to the TRCSL the above amount upon demand, without any demur and without the TRCSL having to substantiate its demand.

4. This guarantee will remain in force up to ....., further extendible by another six months on your request and any demand in respect thereof should reach the Bank not later than the date up to which this Bank Guarantee is valid.
5. Notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to **<Amount in figures>** and our Guarantee shall remain in force until ..... Unless a demand or claim under this Guarantee is made on us in writing within this date

i.e., ....., all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities there under.

Dated day <month>, 2024

<Name of Bank>

Signature Witness:

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_

**11.8 Annexure H: Format of Undertaking to obtain Radio Frequency License**

Format of Undertaking to obtain Radio Frequency License

**UNDERTAKING TO OBTAIN RADIO FREQUENCY LICENSE WITH AUTHORIZATION OF ACCESS SERVICE**

We, \_\_\_\_\_ and \_\_\_\_\_, the undersigned, as Director and Authorized Signatory respectively of \_\_\_\_\_ ("Applicant") hereby confirm, undertake, acknowledge and certify the following:

- a) The applicant desires to submit a proposal for participating in the auction for spectrum in 3500 MHz and 27 GHz Bands in compliance with TRCSL NoA.
- b) The applicant would abide by the ownership restrictions as prescribed in the respective licenses.
- c) That in case the applicant is declared a Successful Bidder, it shall apply for a Radio Frequency License with authorization for access service / authorization for use of spectrum band;
- d) That the Nominated Applicant will satisfy all the conditions required to obtain a Radio Frequency License with authorization of access service / authorization of access service as per the conditions in the system license
- e) That in case the application for grant of Radio Frequency License with authorization of access service of the Nominated License Applicant is rejected, the Commission shall have the right to revoke the spectrum;
- f) That in case an application for a Radio Frequency License with authorization of access service by the Nominated License Applicant has not been made within seven (7) days of

the applicant being declared a successful bidder, the Commission shall have the right to curtail / revoke the spectrum;

- g) The Nominated License applicant shall be responsible for the performance of the bid obligations and the applicant shall obtain an undertaking to this effect (“Adherence Undertaking”) from the Nominated License Applicant before the Nominated License Applicant submits the Radio Frequency License/ authorization of access service application along with a certified copy of the Adherence Undertaking.

Signature and Name of the Authorized Signatory

Company’s Seal

Date:

Place:

**11.9 Annexure I: Format of Undertaking to nominate a Group Bidding Entity**  
 Format for an Undertaking to nominate a Group Bidding Entity for the 3500 MHz and 27 GHz Bands Auction

**JOINT UNDERTAKING TO NOMINATE GROUP BIDDING ENTITY**

We, ----- and -----  
 -----, the undersigned,  
 as Directors and Authorized Representatives of -----  
 ----- (“Nominator”) and We, -----  
 ----- and -----  
 -----, the undersigned, as Directors and  
 Authorized Representatives of -----  
 ----- <Name of the Group Bidding Entity> (“Group Bidding Entity”)

Hereby confirm, undertake, acknowledge and certify the following:

- (a) That the Nominator has authorized the Group Bidding Entity to bid for Spectrum Auction in the 3500 MHz and 27 GHz Bands in compliance with the Commission;
- (b) That the Nominator is a Radio Frequency Licensee with access service authorization licensee mentioned in point(a) above;
- (c) That the Nominator has read and understood the Notice for the Auctions and will abide with all applicable conditions including, but not limited to, payment of bid amount, spectrum usage charges and compliance with rollout obligations;
- (d) That in case the Group Bidding Entity is declared a Successful Bidder mentioned in point(a), the Nominator shall accept the allotment/ assignment to itself of spectrum won by the Group Bidding Entity by the Commission;
- (e) That the Nominator and the Group Bidding Entity shall be jointly and severally liable for the performance of the bid obligations;
- (f) That the Nominator agrees to make the necessary changes to its existing Radio Frequency Licence with access service authorization (as required by the conditions specified).

Signed:

For <name of the Nominator Company >

Authorized signature

Authorized signature

(Name & Position)

(Name & Position)

Company seal affixed

Date: \_\_\_\_\_

Signed:

For<name of the Group Bidding Entity>

Authorized signature

(Name & Position)

Authorized signature

(Name & Position)

Company seal affixed

Date:\_\_\_\_\_

**11.10 Annexure J: Format for Ownership Compliance Certificate**

Format for Ownership Compliance Certificate for the Spectrum Auction in 3500 MHz and 27 GHz Bands  
*(Signatories should be one Director & one Authorized signatory.)*  
*(for all Applicants on the letter head of the concerned Company)*

We, -----<Director>-----  
 -----and -----<Authorized Signatory> -----, the  
 undersigned, as Directors and Authorized Representatives of -----  
 -----<Name of the Applicant> (“Applicant”) hereby confirm, undertake,  
 acknowledge and certify (either (a) or (b)):

- (a) That we have carefully gone through the list of Applicants (“Provisional Bidders”) for the Spectrum Auction in 3500 MHz and 27 GHz Bands put up on the TRCSL website and we have no objection for participating listed applicant/s;
- (b) That we have carefully gone through the list of Applicants (“Provisional Bidders”) for the Spectrum Auction in 3500 MHz and 27 GHz Bands put up on the TRCSL website and we have objection/s for participating listed applicant/s. Details of the objection is given below;

-----  
 -----

Signed:

Authorized Signatory  
 (Name & Position)

Authorized Signatory  
 (Name & Position)

Company Seal & Date

**11.11 Annexure K: Format of declaration by bidders**

Sr. No.	Licensee						Details of Telecom Service Licenses held by the Applicant with access service authorization along with effective date of license		
	Please Tick <input checked="" type="checkbox"/> for Yes & <input type="checkbox"/> for No						License No. & Date	Effective Date of License	Type of License
	850 MHz	900 MHz	1800 MHz	2100 MHz	2300 MHz	2600 MHz			



--	--	--	--	--	--	--	--	--	--

Note: Details of all the License(s) held by Allies/Sister concern/Partners or any other legal entity.

I hereby certify that the above information has been prepared as per the provisions contained in the NoA document and is correct to the best of my knowledge.

(Signature of Authorized Signatory)

Company Seal

**11.12 Annexure L: Format of Integrity Pact**

**INTEGRITY PACT**

This Integrity Pact is made and executed at .....on this..... day of ....., 20.....

BY AND BETWEEN

**THE COMMISSION** acting through .....(name of the officer), Director General, Telecommunications Regulatory Commission of Sri Lanka (TRCSL) having its office at ..... (hereinafter referred to as “**the Authorized Officer**” which terms or expression shall, unless excluded by or repugnant to the subject or context, mean and include its successor-in-office, administrators or permitted assignees) – **First Party;**

**AND**

**M/s** ----- represented by .....(name & designation of the officer) having its office at ..... (hereinafter referred to as “**Bidder/Buyer**” which term or expression shall, unless excluded by or repugnant to the subject or context, mean and include its successor-in-office, administrators or permitted assignees) – **Second Party.**

**Preamble**

WHEREAS the Authorized officer proposes to auction the rights to use the spectrum as per the terms and conditions mentioned in the relevant Notice of Assignment,

and

WHEREAS, Bidder/Buyer is willing to procure the rights for usage of spectrum as per the terms and conditions mentioned in the relevant Notice of Assignment,

and

WHEREAS the Authorized officer values full compliance with all relevant laws and regulations, and the principles of economical use of resources, and of fairness and transparency in its relations with its Bidder(s) and / or Buyer(s).

In pursuance, thereto, the following clauses of the Integrity Pact will be applicable, and this document shall be deemed to be an integral part of the Agreement/Contract between us.

In order to achieve these goals, the Authorized officer may appoint an independent committee who will monitor the auction process and the execution of the contract for compliance with the principles mentioned above.

### **Section 1 - Commitments of the Authorized officer**

(1) The Authorized officer commits itself to take all measures necessary to prevent corruption and to observe the following principles: -

- a. Authorized officer, subordinate staff of the Authorized officer personally or through family members, will in connection with the auction for, or the execution of a contract, demand, take a promise for or accept, for him/herself or third person, any material or immaterial benefit which he/she is not legally entitled to.
- b. Authorized officer will, during the auction process, provide to all Bidder(s)/Buyer(s) the same information and will not provide to any Bidder/Buyer confidential/additional information through which the Bidder(s)/Buyer(s) could obtain an advantage in relation to the auction process or the contract execution.

### **Section 2 - Commitments of the Bidder(s)/Buyer(s)**

(1) The Bidder(s)/Buyer(s) commits himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the auction process and during the contract execution.

- a. The Bidder(s)/Buyer(s) will not, directly or through any other person or firm, offer, promise or give, to any of the Licensor's employees involved in the auction process or the execution of the contract or any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the auction process or the execution of the contract.

- b. The Bidder(s)/Buyer(s) will not enter with other Bidder(s) / Buyer(s) into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, submission or Non submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.
- c. The Bidder(s)/Buyer(s) will not commit any offence under the relevant Act or any other law; further the Bidder(s)/Buyer(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Licensor as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
- d. The Bidder(s)/Buyer(s) will, when presenting his/her bid, disclose any and all payments he/she has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.

(2) The Bidder(s)/Buyer(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.

### **Section 3 - Disqualification from auction process and exclusion from future contracts**

If the Bidder(s)/Buyer(s), before award or during execution has committed a transgression through a violation of Section 2, above or in any other form such as to put his reliability or credibility in question, the Authorized officer is entitled to disqualify the Bidder(s)/Buyer(s) from the auction process or to terminate the contract, if already signed, for such reason. The Authorized officer is also entitled to exclude the Bidder(s)/Buyer(s) from future contract award processes.

### **Section 4 - Compensation for Damages**

(1) If the Authorized officer has disqualified the Bidder(s)/Buyer(s) from the auction process prior to the award according to Section 3, the Authorized officer is entitled to demand and recover the damages equivalent to Bank Guarantee (BG).

(2) If the Authorized officer has terminated the contract according to Section 3, or if the Authorized officer is entitled to terminate the contract according to Section 3, the Authorized officer shall be entitled to demand and recover from the Bidder(s)/Buyer(s) amount equivalent to maximum amount of Liquidated Damages and/ or the amount equivalent to Performance Bank Guarantee.

### **Section 5 - Previous Transgression**

(1) The Bidder(s)/Buyer(s) declares that no previous transgressions occurred in the last 3 years with any other company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprise in Sri Lanka that could justify his exclusion from the auction process.

(2) If the Bidder(s)/Buyer(s) makes incorrect statement on this subject, he can be disqualified from the auction process, and/or the contract can be terminated, if already signed, for such reason.

**Section 6 - Equal treatment of all Bidder(s)/Buyer(s)**

(1) The Authorized officer will enter into agreements with identical conditions as this one with all Buyer(s)/ Bidders(s).

(2) The Authorized officer will disqualify from the auction process all Bidder(s)/Buyer(s) who do not sign this Pact or violate its provisions.

**Section 9 - Pact Duration**

This Pact begins when both parties have legally signed it. It expires for the Bidder(s)/Buyer(s) 12 months after the last payment under the respective contract, and for all other unsuccessful Bidder(s)/Buyer(s) 6 months after the end of auction.

If any claim is made/lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged/determined by the designated authority.

**Section 10 - Other Provisions**

- (1) This agreement is subject to Sri Lankan Law.
- (2) Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

**IN WITNESS WHEREOF**, the parties hereunto set their hands and seals and acknowledged this **Integrity Pact** as of the date first above written.

For and on behalf of  
**THE COMMISSION (First Party)**  
SIGNED, SEALED AND DELIVERED by

**Name:** .....  
**Designation:**.....  
**Address:**.....

**(Authorized Signatory)**

For and on behalf of

**M/s ..... (Second Party)**

SIGNED, SEALED AND DELIVERED by

Name: .....

Designation:.....

Address:.....

**In the presence of Witness:**

1. (name & address of the witness)

.....  
.....  
.....

2. (name & address of the witness)

.....  
.....  
.....