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Introduction to Telecommunication Licences in Singapore

Persons who want to operate telecommunications systems and provide telecommunication services are required to be licensed by Infocomm Media Development Authority (IMDA). In general, such licensees must be a company incorporated under the Singapore Companies Act, Chapter 50. IMDA adopts a licensing approach which differentiates between Facilities-Based Operations (FBO) Licence and Services-Based Operations (SBO) Licence type of operations. The following provides an overview.

1. Services-Based Operations (SBO) Licence

The Services-Based Operations (SBO) Licence allows an operator to provide services-based telecommunications services in Singapore.

For operators who intend to:

- (1) Lease telecommunication network elements (such as transmission capacity and switching services) from any IMDA-licensed Facilities-Based Operator (FBO) to provide their own telecommunication services.
- (2) Resell telecommunication services of FBOs to third parties; or
- (3) Deploy telecommunication network, systems and facilities within their own property boundaries, but wish to offer telecommunication services to third party residents within their property boundaries

Depending on the scope of the operation and nature of the service, a telecommunication service-based operator can be licensed under one of two categories:

(1) SBO (Individual) Licence

- (a) Operators who lease international transmission capacity to provide their services would be licensed individually.

- (b) These would be companies incorporated or foreign companies registered under the Singapore Companies Act, Cap. 50.
- (c) SBO (individual) licensees who collect monetary deposits and/or issue prepaid cards for collection of payments from their customers are required to have a paid-up capital of at least SGD100,000 at the point of licensing.

The range of operations and services that requires individual licensing under the SBO (Individual) Licence category include, but is not limited to, the following:

- (a) International simple resale (ISR)
- (b) Resale of leased circuit services
- (c) Public internet-access services
- (d) Internet-exchange services
- (e) Virtual private-network services
- (f) Managed-data network services
- (g) Store-and-Forward (S&F) Value-Added Network Services
- (h) Mobile virtual-network operation
- (i) Bandwidth capacity exchange operation
- (j) Backhaul Bandwidth capacity services
- (k) Live audiotex services
- (l) Prepaid services for other telecommunication services such as:
 - (i) Call-back/call re-origination services
 - (ii) Internet-based voice and data services
 - (iii) Store-and-retrieve (S&R) value-added network services
 - (iv) International calling card (ICC) services
 - (v) Resale of public switched telecommunication services
- (m) Global Mobile Personal Communications by Satellite (GMPCS) Services

Licence Fees and Duration

Applicants for the SBO (Individual) Licences will be required to pay the fees as stipulated in the table below:

| Licences | Registration fee |
|--|---|
| Services-Based Operators to be Individually Licensed | |
| SBO (Individual) | Initial fee: None Annual fee: S\$5,000 |
| Live Audiotex services only | S\$200 every three-yearly |

(2) SBO (Class) Licence

- (a) A range of telecommunication service-based operations and services fall under this category.
- (b) These may be companies incorporated or foreign companies registered under the Singapore Companies Act, Cap. 50. including Limited Liability Partnerships or Limited Partnerships.
- (c) SBO (class) licensees shall not collect monetary deposits and/or use prepaid cards as a means of collecting payment from their customers

The range of operations and services that falls under the SBO (Class) Licence category includes, but is not limited to, the following:

- (a) Call-back/call re-origination services
- (b) Internet-based voice and data services
- (c) Resale of public switched telecommunication services
- (d) Store-and-retrieve (S&R) value-added network services
- (e) International calling card (ICC) services
- (f) Audiotex services
- (g) Public Chain Payphone Services

Licence Fees and Duration

Applicants for the SBO (Class) Licences will be required to pay the fees as stipulated in the table below:

| Licences | Registration fee |
|---|---------------------------|
| Services-Based Operators to be Class Licensed | |
| Audiotex services | S\$200 every three-yearly |
| Call-back and call-origination services | S\$200 every three-yearly |
| Internet based voice and data services | S\$200 every three-yearly |
| International calling card services | S\$200 every three-yearly |
| Store-and-retrieve value-added network services (where leased circuits are used) | S\$200 every three-yearly |
| Store-and-retrieve value added network services (where no leased circuits are used) | No fee payable |
| Resale of public switched telecommunication services | No fee payable |
| Public Chain Payphone Service | No fee payable |

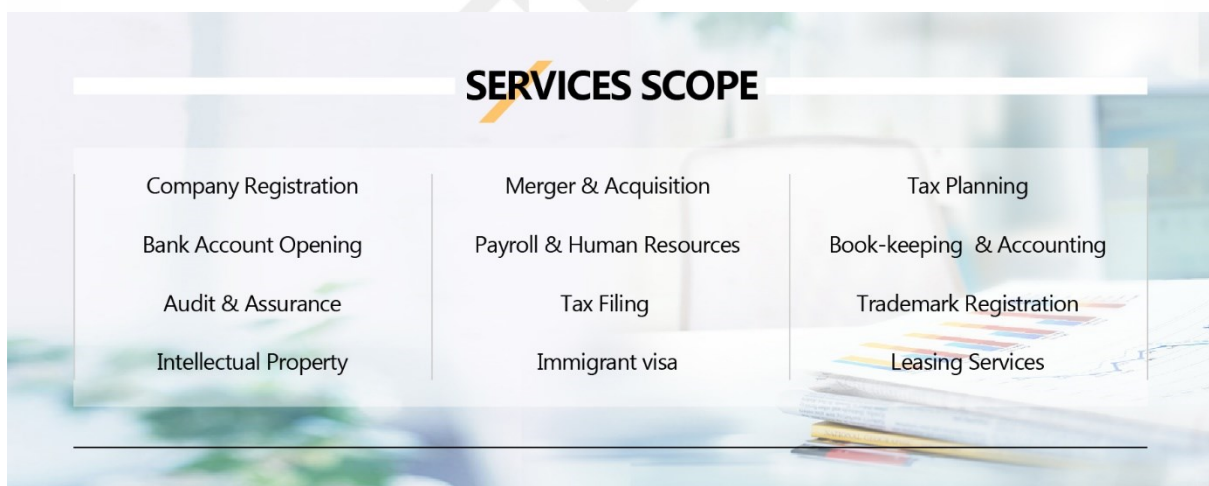
2. Facilities-Based Operator (FBO) Licence

FBOs are operators intending to deploy any form of telecommunication network, systems and facilities to offer telecommunication switching and/or telecommunication services to other licensed telecommunication operators, business and/or consumers.

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

- (1) Public Switched Telephone Services
- (2) Public Switched Integrated Services Digital Network (ISDN) Services
- (3) Leased Circuit Services
- (4) Public Radiocommunication Services
- (5) Public Cellular Mobile Telephone Service (PCMTS)
- (6) Public Trunked Radio Services (PTRS)
- (7) Public Mobile Data Services (PMDS)
- (8) Terrestrial Telecommunication Network for Broadcasting Purposes
- (9) Satellite Uplink/Downlink for Broadcasting Purposes

Kaizen suggests you to consult with professional advisors before the proposals coming into effect. Kaizen Singapore office is able to provide clients with the IMDA licence application and consultancy services, please consult our professional consultant.



If you wish to obtain more information or assistance, please visit our official website at www.kaizencpa.com or contact us through the following means:

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