

GUIDELINES FOR SUBMISSION OF APPLICATION FOR SERVICES-BASED OPERATIONS LICENCE

1 INTRODUCTION

- 1.1 The Singapore telecommunication services market was fully liberalised from 1 April 2000. As required under the Telecommunications Act 1999, any person operating and providing telecommunication systems and services in Singapore has to be licensed.
- 1.2 The Info-communications Media Development Authority (the “Authority”) has adopted a two-pronged licensing approach that differentiates between licensees based on the nature of their operations i.e. whether facilities-based or services-based type of operations. This set of Guidelines is intended to provide interested parties with an overview of the licensing framework for licence applicants intending to deploy services-based operations in Singapore and to guide them in applying for the relevant licences.

2 DESCRIPTION OF SERVICES-BASED OPERATIONS

- 2.1 Operators intending to lease telecommunication network elements (such as transmission capacity and switching services) from any Facilities-Based Operator (“FBO”) licensed by the Authority so as to provide their own telecommunication services, or to resell the telecommunication services of FBOs, to third parties¹; may apply to the Authority for a Services-Based Operations (“SBO”) Licence. Operators who have deployed telecommunication network, systems and facilities within their own property boundaries, but wish to offer telecommunication services to third parties resident within their property boundaries, should also apply for an SBO licence.



¹ A corporation (whether incorporated in Singapore or elsewhere) that leases telecommunication network elements (such as transmission capacity and switching services) from any Facilities-Based Operator or Services-Based Operator licensed by the Authority to provide telecommunication services solely within the corporation itself or to its related corporations (Including its holding companies or subsidiaries) is not required to obtain an SBO Licence. For the purpose of this exception, “holding companies”, “subsidiaries” and “related corporations” shall have the same meaning as provided under the Companies Act 1967.

- 2.2 For the avoidance of doubt, if an operator intends to activate its own Indefeasible-Right-of-Use (“IRUs”) capacities on submarine cable systems or lit international dark fibre to offer telecommunication services in Singapore, the operator should apply² for an FBO licence from IMDA to do so.
- 2.3 The SBO licences issued by the Authority fall under two categories: the **SBO (Individual) Licence** category, where individual licensing is required for the stipulated types of operations and services; and the **SBO (Class) Licence**³ category, where interested parties will only be required to register with the Authority before providing the stipulated types of services. Parties providing SBO operations and services will thus either be individually or classed licensed by the Authority, depending on the scope of the operations and nature of the services. In general, operators who lease international transmission capacity for the provision of their services will be licensed individually. Interested parties should also note that separate licences or authorisation may be required from other relevant government agencies for the provision of certain types of SBO services and operations⁴.
- 2.4 SBO (Class) Licensees shall not collect monetary deposits and/or use prepaid cards as a means of collecting payment from their customers. 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 S\$100,000 at the point of licensing.
- 2.5 The range of operations and services that requires individual licensing under the SBO (Individual) Licence category includes, but is not limited to, the following:
- International Simple Resale (“ISR”)⁵

² If an entity activates its own IRU capacities, or lits international dark fibre for the purposes of *transiting* traffic through Singapore, or for the entity’s *self-use*, that entity may not need to apply for an FBO licence from IMDA, provided that (i) the entity procures all domestic backhaul and necessary telecommunication network/services from licensed telecommunication service providers in Singapore; (ii) the entity does not deploy any other telecommunication infrastructure; and (iii) the entity does not offer any telecommunication services in Singapore. For the avoidance of doubt, the transiting traffic does not include wholesale of International Simple Resale or IP Transit service which requires minimally an SBO (Individual) Licence.

³ A Class Licence is a licensing scheme where the terms and conditions are gazetted. Anyone who provides the services within the scope of the class licence will be deemed to have read and agreed to the terms and conditions of the class licence. Interested parties must first register online through GoBusiness Licensing Portal together with the necessary supporting documents.

⁴ For example, an SBO (Individual) Licensee providing Internet access services will need to comply with terms and conditions that may be imposed by the Authority on the content transmitted.

⁵ This includes both voice and data traffic.

- Resale of Local Leased Fixed-line Connectivity Services⁶
- Public Internet Access Services
- Internet Exchange Services
- Virtual Private Network Services
- Managed Data Network Services
- Mobile Virtual Network Operation
- Live Audiotex Services
- Prepaid Services for other telecommunication services such as:
 - Call-back / Call Re-origination Services
 - Internet Based Voice and Data Services
 - International Calling Card (“ICC”) Services
 - Resale of Public Switched Telecommunication Services
 - Store-and-Retrieve (“S&R”) Value-Added Network Services
 - Store-and-Forward (“S&F”) Value-Added Network Services
- IP Telephony Services
- Voice and Data Services with Masking of Calling Line Identity
- Satellite Mobile Telephone or Data Services
- Mobile Communications on Aircraft
- Machine-To-Machine (“M2M”) Services
- White Space Geo-Location Database Services⁷

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

- Call-back/Call Re-origination Services
- Internet Based Voice and Data Services
- International Calling Card (“ICC”) Services
- Resale of Public Switched Telecommunication Services
- Store-and-Retrieve (“S&R”) Value-Added Network Services
- Audiotex Services
- Public Chain Payphone Services
- Store-and-Forward (“S&F”) Value-Added Network Services

⁶ It will include Backhaul Bandwidth Capacity Services and resale of local leased dark fibre services.

⁷ As White Space (WS) technology adoption is at its infancy stage in Singapore, the Authority will waive the annual SBO licence fee for the WS Geo-Location Database providers in the first two years of implementation.

3 GENERAL LICENSING AND REGULATORY FRAMEWORKS

Licensing Framework

- 3.1 The general conditions, scope and specific conditions for the provision of the respective services under the SBO (Individual)⁸ and SBO (Class) licences are provided in the SBO Licence Template⁹ and the Telecommunications (Class Licences) Regulations (Cap. 323, RG 3)¹⁰, respectively. Parties interested to apply for an SBO (Individual) Licence should submit their proposals to the Authority in accordance with the procedural requirements outlined in Section 4 of this Guideline.
- 3.2 There is no limit on the operators who can be class-licensed. The Authority will also not pre-determine the number of SBO (Individual) licences to be issued. The SBO (Individual) Licence will be granted if the Authority is satisfied with the applicant's ability to deliver its proposed service and its quality of service standards commitments. There will be no foreign equity limit imposed for licensees. The Licensee shall be a company incorporated or a foreign company registered under the Singapore Companies Act 1967. SBO (Class) licences may also be held by a Limited Liability Partnership (LLP) or a Limited Partnership (LP).
- 3.3 A single SBO (Individual) licence will be issued to the successful applicant (or licensee) for each service category applied for, regardless of the range and types of operations and services to be provided under each service category. The Licensee however must seek the prior approval of the Authority for any subsequent changes to the scope of its operations and services. The Authority will update its licence accordingly where applicable.

Regulatory Framework

- 3.4 All SBO licensees will be regulated in accordance with the licensing and regulatory frameworks established by the Authority, which are formulated under the provisions of the Telecommunications Act 1999. Licensees are also required to comply with the

⁸ For SBO (Individual) licensees providing IP Telephony Services, licensees may refer to the Authority's website to access the Guide to Interconnection with Dominant Licensee via this link: <https://www.imda.gov.sg/regulations-and-licensing-listing/IP-Telephony-Framework>

⁹ The SBO Licence Template is available on the Authority's website via this link: <https://www.imda.gov.sg/regulations-and-licensing-listing/services-based-operations--sbo--licence>

¹⁰ The conditions for SBO (Class) licences are found in the Telecommunications (Class Licences) Regulations on the Singapore Statutes Online website via this link: <https://sso.agc.gov.sg/Act/TA1999?ViewType=SI>

Code of Practice for Competition in the Provision of Telecommunication and Media Services 2022 (Telecom and Media Competition Code), which aims to ensure the development of a fair and competitive telecommunication environment in Singapore. SBO (Individual) licensees may be required to comply with the Accounting Separation Guidelines. Interested parties may refer to the Authority’s website for copies of a generic SBO (Individual) licence, the Telecom and Media Competition Code and other relevant guidelines issued by the the Authority¹¹.

- 3.5 SBO (Individual) Licensees intending to offer services such as Public Internet Access Services and Internet Exchange Services are required to comply with the Decision on the Internet Protocol “No Islanding” Principle which came into effect from 1 June 2013. A copy of the Decision can be downloaded at https://www.imda.gov.sg/~media/imda/files/inner/pcdg/consultations/20110620_noislandingprinciple/intpronoislandingprinciple.pdf
- 3.6 The Authority recognises that the info-communications environment is dynamic and ever-changing. The Authority will continue to review and refine the regulatory frameworks to ensure their relevance, taking into consideration market trends and developments.

Licence Fees and Duration

- 3.7 Applicants for the SBO (Individual) and SBO (Class) Licences will be required to pay the fees as stipulated in the table below.

Licences	Licence/Registration Fee
Services-Based Operators to be Individually Licensed	
Annual Fee:	
First S\$50 million in AGTO ¹²	S\$4,000
Next S\$50 - S\$100 million in AGTO	<u>0.5%</u> AGTO
Above S\$100 million in AGTO	<u>0.8%</u> AGTO

¹¹ The Authority’s website address is www.imda.gov.sg. The documents can be found under the Licence for the Provision of Telecommunication Services.

¹² Annual Gross Turnover (“AGTO”) is the annual fair value of the consideration received or receivable for licensable activities taking into account of any trade discounts and volume rebates allowed by the enterprise. For submission of documents for the purpose of licence fee computation, please see [Annex 1](#).

Licences	Licence/Registration Fee
Services-Based Operators to be Individually Licensed	
Live Audiotex services only	S\$200 every five-yearly
Services-Based Operators to be Class-Licensed¹³	
Audiotex services	S\$200 (one-time payment)
Call-back and call-origination services	S\$200 (one-time payment)
Internet based voice and data services	S\$200 (one-time payment)
International calling card services	S\$200 (one-time payment)
Store-and-forward value-added network services	S\$200 (one-time payment)
Store-and-retrieve value-added network services (where leased circuits are used)	S\$200 (one-time payment)
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

Note:

Licence fees paid shall not be refunded (whether on a pro-rated basis or any other basis) in the event that the licence is cancelled by the Authority in the following circumstances:

- (i) where the licensee requests for variation or early termination of its licence, or
- (ii) where the Authority cancels the licence under Section 10 of the Telecommunications Act 1999.

¹³ The maximum fee payable by an operator who runs specified telecommunication systems and services falling within more than one class licence is \$200.

- 3.8 All SBO (Individual) licences are valid for a period of five years and renewable every five-yearly. No renewal is required for SBO (Class) licences.

Provision and Update of Information

- 3.9 To ensure that the Authority has up-to-date information, every SBO (Individual) licensee is required to notify the Authority of any changes or inaccuracy in the information and particulars submitted to the Authority within five (5) days of such change. Such information and particulars shall, without limitation, include the licensee's name, address and contact particulars. This requirement does not relieve licensees of their obligation to obtain the Authority's prior approval for any matter stipulated in their licence conditions.
- 3.10 In addition to the above, SBO (Individual) licensees who provide prepaid telecommunication services under which they collect monetary deposits or issue prepaid cards for the collection of payments from their customers shall provide the Authority with the hotline enquiry number for such service. The licensee shall also notify the Authority of any changes to the hotline enquiry number within five (5) days of such change.
- 3.11 With regard to SBO (Class) licensees, the Telecommunications (Class Licenses) Regulations provide that it is a condition of every class licence that the licensee notifies the Authority of any change or inaccuracy in its particulars, the description and scope of telecommunication systems and services run by it and any other information submitted to the Authority under the Regulations or the conditions of licence.

4 LICENCE APPLICATION PROCEDURE

- 4.1 Interested parties who wish to apply to the Authority for an SBO Licence under the Individual category or register as an SBO Class Licensee, should submit their application via GoBusiness Licensing Portal¹⁴. The names of all licensees can be found from Telecoms Licensing System at <https://eservice.imda.gov.sg/tls/searchLicence.action>.

¹⁴ Applicants intending to provide WS Geo-Location Database Services should write in to the Authority (see Section 5 of this Guideline) for their applications.

- 4.2 The Authority may seek clarification and additional information from any party arising from their application. Each application should include an address, contact telephone, and the name and designation of the contact person(s) for communication with the Authority.
- 4.3 Successful applicants for the SBO (Individual) Licence will be awarded their licence within fourteen (14) working days of application submission, provided that the applicants have submitted all the necessary information requested by the Authority for evaluation purposes and that the Authority has completed all the clarifications with the applicants.
- 4.4 Applicants intending to provide Services under the SBO (Class) Licence will be registered upon submission of complete information and payment of registration fees (if any). Applicants must ensure that the information and representations submitted in their applications are accurate in all aspects. Under Regulation 7A(1) of the Telecommunications (Class Licences) Regulations (“Class Regulations”), no person shall furnish any false, misleading or inaccurate information to the Authority in relation to his registration under Regulation 4 of the Class Regulations. Any person who contravenes Regulation 7A(1) shall be guilty of an offence.
- 4.5 The Authority reserves the right not to consider any applicant that includes any company related and/or associated with any FBO, and/or any of its subsidiary companies. A company is deemed to be related and/or associated with such an FBO, and/or its subsidiaries, if the FBO and/or its subsidiaries have influence on the company’s policies and/or management.

5 CORRESPONDENCE/ENQUIRY

- 5.1 Any enquiry concerning this invitation to submit applications is welcomed. Please direct the enquiries in writing via email to FSO@imda.gov.sg.

Notes:

- 1** This document has no legal standing and is not intended as a substitute for legal advice. While every effort has been made to provide an accurate and authoritative account of the licensing regime, the licence(s) to be granted to successful applicants will be the complete authoritative text.

- 2** The information contained in this document is intended to assist interested parties in applying for the relevant licences. It does not bind the Authority to any particular course of action in relation to the handling of any application, or to the terms of any licence to be granted, or to grant any licence to any party. The Authority reserves the right to change its policies and/or to amend this document without prior notice.

- 3** The grant of a Licence is at the sole discretion of the Authority. The Authority reserves the right not to accept any application submitted. The Authority will undertake to explain to the applicant concerned, on the applicant's request, why the applicant is unsuccessful in its application for a licence.

- 4** The Authority reserves the right to disclose the identities of parties who have submitted applications. All other information received will be treated in confidence.

SUBMISSION OF DOCUMENTS FOR PURPOSE OF LICENCE FEE COMPUTATION

1. Under the SBO (Individual) Licence, the licensee is required to submit audited statements to the Authority within six (6) months from the end of its financial year for the computation of the annual licence fee payable to the Authority. The template of the audited annual gross turnover (“AGTO”) statement to be submitted to the Authority is attached as Annex 1A.

2. The Authority may be prepared to accept other forms of documents in place of the audited AGTO statement as mentioned in paragraph 1 above in the circumstances set out in this paragraph 2. The following sets out the scenarios under which alternative documents may be accepted:

- (a) For companies whose annual revenue is \$35 million and below –

The company is required to submit any of the following documents:

- (i) a letter of undertaking using the template in Annex 1B from one of its Board of Directors to declare the company’s (a) entire annual revenue figure, or (b) total revenue for all licensable telecommunications activities under the SBO(I) licence;

- (ii) unaudited accounts accompanied by Directors’ report and Statement by Directors (as provided to Accounting and Corporate Regulatory Authority of Singapore (“ACRA”)), for the particular financial year that the company is exempted by ACRA to submit any audited accounts and the audited accounts are not available. This includes any other supporting documents (e.g., the confirmation page from ACRA that the online declaration form of solvency has been submitted); or

- (iii) the company’s annual financial report, including the audited statutory financial statements and the auditor’s report.

- (b) For companies whose annual revenue is above \$35 million –

The company is required to submit the audited AGTO statement to the Authority using the template in Annex 1A. If, however, you would like to submit the company’s entire audited annual revenue figure to the Authority to be used for the computation of the licence fee payable, the Authority is prepared to accept the audited statutory financial statements together with the auditor’s report. Such documents will need to be accompanied by a declaration from the

company stating that it would like to submit the company's entire audited annual revenue figure to the Authority as the relevant AGTO to be used for the computation of the licence fee payable, and the revenue figure will need to be clearly indicated in the declaration.

3. Notwithstanding the circumstances set out in paragraph 2, the Authority reserves the right to require an audited AGTO statement, the company's annual financial report or unaudited accounts to be submitted if the Authority deems fit.
4. Kindly also ensure that all audited documents (certified true softcopies) should be submitted by your auditor directly to Info-communications Media Development Authority via email to FSO@imda.gov.sg
5. The Authority may conduct compliance reviews on the audited documents to ensure that the revenue figure and documents submitted to the Authority are complete, valid and accurate.

INDEPENDENT AUDITOR'S REPORT ON LICENSEE'S ANNUAL GROSS TURNOVER

[To the Board of Directors of _____ (Company) or Other Appropriate Addressee]

Opinion

We have audited the Schedule of the Annual Gross Turnover ("AGTO")¹⁵, in relation to all licensable activities under the [please insert type of licence¹⁶] granted to the [Licensee's Name] (the "Licensee") by the Info-communications Media Development Authority ("IMDA"), for the period from [date] to [date] (the "Schedule").

In our opinion, the AGTO totalling [insert amount] in the Schedule is prepared, in all material respects, in accordance with the attached Basis of Preparation.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Schedule* section of our report. We are independent of the Licensee in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to the attached Basis of Preparation to the Schedule, which describes the basis of accounting. The Schedule is prepared to assist the Licensee to meet the requirements of the IMDA in connection with the determination of the Licensee's annual licence fee by the

¹⁵ The AGTO refers to the annual amount of consideration to which [name of Licensee] (the Licensee) expects to be entitled in exchange for the transfer of promised goods or services to customers in relation to all licensable activities under the [please insert type of licence] granted to the Licensee by the Info-communications Media Development Authority.

¹⁶ Types of Licences include, Facilities-Based Operations, Services-Based Operations (Individual), Postal Services Operations, Nationwide Free-to-Air TV Services, Nationwide Free-to-Air Radio Services, Nationwide Subscription TV Services, Niche TV Services.

IMDA. As a result, the Schedule may not be suitable for another purpose. Our report is intended solely for the Licensee and the IMDA and should not be distributed to or used by parties other than the Licensee or the IMDA. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance¹⁷ for the Schedule

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

Those charged with governance are responsible for overseeing the Licensee's financial reporting process.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Schedule.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Licensee's internal control.

¹⁷ Or other terms that are appropriate in the context of the engagement.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards¹⁸.

The engagement partner on the audit resulting in this independent auditor's report is [name].¹⁹

_____ (Firm)

Public Accountants and
Chartered Accountants
Singapore

_____ (Date)

Enclosure:

The Schedule
Basis of Preparation

¹⁸ This paragraph is to be included only if the Company is listed.

¹⁹ The engagement partner's name is only disclosed in cases whereby the company is listed.

COMPANY'S LETTERHEAD

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

Annual Gross Turnover ("AGTO")

The AGTO refers to the annual amount of consideration²⁰ to which [name of Licensee] (the Licensee) expects to be entitled in exchange for the transfer of promised goods or services to customers in relation to all licensable activities under the [please insert type of licence] granted to the Licensee by the Info-communications Media Development Authority.

²⁰ The amount of consideration is recognised in accordance with the Licensee's accounting policy for revenue. The accounting policy is based on the requirements of [SFRS(I) 15/ FRS 15] Revenue from Contracts with Customers.

COMPANY'S LETTERHEAD

The Director-General (Telecoms & Post)
Info-communications Media Development Authority
10 Pasir Panjang Road
#03-01 Mapletree Business City
Singapore 117438

Attention: Director (Licensing)

Dear Sirs,

LETTER OF UNDERTAKING

Pursuant to Condition 2.6 of the Services-Based Operations (Individual) licence ("**SBO(I) Licence**"), I, [Name of Director], NRIC no. [], on behalf of the Board of Directors of [Licensee's Name] (the "**Licensee**") hereby declare that the [please insert the type of declaration²¹], for the period from [dd/mm/yy] to [dd/mm/yy], is S\$[insert amount]. The above-mentioned revenue figure shall be used for the computation of the licence fee payable by the Licensee under the SBO(I) Licence granted to the Licensee by the Info-communications Media Development Authority (the "**Authority**").

I declare that the above-mentioned information submitted is true, accurate and complete, and undertake to inform the Authority if there are any changes to the above-mentioned information. Without limitation to any applicable laws, I am fully aware that providing untrue, inaccurate or incomplete information to the Authority is a breach of Condition 26.1 of the SBO(I) Licence, and the Authority may take appropriate enforcement action in such event.

Yours faithfully,

[Name of Director]

[Signature]

[Date]

²¹ For SBO(I) licensees whose annual revenue is \$35 million or less, the type of declaration required for the purpose of licence fee computation is the (i) Licensee's annual revenue figure or (ii) Licensee's total revenue for all licensable telecommunications activities.