

Services Launch and Performance Bond

TRA will require the licensees to rollout their networks and provide services in accordance with their offers and proposals as stated in their applications. Each licensee shall provide TRA with a performance bond for a sum amounting to 7% of its total budgeted capital investment as committed in its application, in accordance with the specimen Banker's Guarantee specified in the Annex, and made in favour of TRA. The performance bond shall cover the material obligations of rollout, service provision and commitments as well as obligations in compliance with any directions issued by TRA.

□ Information required

The Applicant shall provide the TRA with evidence that demonstrates clear compliance with the criteria. This evidence shall include the documentation listed below and any further documentation listed in the proposed Annexes in relation to specific license types or to a competitive award process. Where the Application is a consortium, the Applicant shall clearly identify which specific consortium member(s) satisfies each relevant criterion. TRA may seek additional information from the Applicant arising from an application.

Document Checklist:

1. Name, registered office, date and place of incorporation;
2. The place of domicile and, if they are not the same, the location of the registered office and the seat of management; Please include suitable proof.
3. A copy of the current Memorandum and Articles of Association;
4. CVs of all key personnel, including those in 4 above in the prescribed format.
5. Authorised, issued and paid-up capital and relevant certificates indicating the amounts; and
6. Bankers' confirmation of deposits and/or available credit facilities;
7. Disclosure of any criminal record or personal bankruptcy of any person listed above;
8. Details of any common ownership or commercial relationships with any other organisation with interests or activities in the Omani telecommunications sector;
9. Copies of detailed audited accounts of the applicants (i.e. profit and loss accounts, balance sheets, cash flow statements and auditor's reports) for the last three financial years.

10. Latest interim results of the applicant;
11. Budgeted projections of the applicant for the next five years(i.e. profit and loss accounts, balance sheets and cash flow statements) ; and
12. A schedule of financial debts, obligations and contingent liabilities of the applicant for the next three years.
13. Evidence of registration as required by the Ministry of Commerce and Industry and the Chamber of Commerce and Industry in the Sultanate. Registration evidence shall include the sponsor's details –if applicable - and authorized commercial activities.
14. A declaration in the case that the Applicant is not an Omani company the Applicant shall undertake to complete registration procedures and establish an Omani company/enterprise immediately upon the approval of the Minister and before the licence is forwarded for the Royal Decree.
15. The Applicant shall submit a financial comfort letter from an Omani bank or from a recognised international bank in a form satisfactory to the TRA, indicating availability of financing for the first five years of the Applicant's business plan.

Guidelines for Submission of a Comprehensive Technical and Business Plan for License Application

- The Applicant is required to submit a comprehensive Technical and Business Plan in the following format with all sections completed
- This document is a guideline to the level of detail expected of the Technical and Business Plan and its presentation.
- The Financial Plan section is to be presented in a form consistent with the Accounting Standards followed in the Sultanate encompassing all the relevant data; a form of minimum information required is provided
- Key KPIs relating to customers, infrastructure and financials is to be submitted in the relevant sections and in the executive summary.

The title page should include

- BUSINESS PLAN for CLASS ____ LICENSE APPLICATION
- Applicant name
- Date
- Copy number [x of y]
- Contact details of persons responsible
- Company home page (if available)
- Attachments (i.e. as per document checklist and any other exhibits the applicant feels relevant to this application)

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1.0 Executive Summary

The Executive Summary should include the main points of the entire document. The executive summary should be no longer than four pages and must include all the Key Performance Indicators

2.0 Background Information

This section will provide background information on the Structure / financial capability and strength of the applicant.

- 1) The nature and structure of the applicant (for consortium members or single entity) in terms of whether:
 - i. It has any subsidiary or associated companies, joint ventures and trusts;
 - ii. It is a private or public entity; and
 - iii. If public, details of public listings;
 - iv. If the applicant is an association of two or more companies (partnership, joint venture, etc.) the following information shall be included in the bid following this Form of Proposal:
 - a. A copy of the association agreement including the names of the partner companies and stating the holdings for each party.
 - b. A copy of an agreement signed by all member companies and duly notarized appointing one of the members as the applicant for the license and authorizing that member to act on behalf of and to legally bind all members of the association in connection with the license application and any obligations arising there from.
- 2) The corporate and shareholding structure of the applicant clearly indicating the ultimate ownership, both direct and indirect;
 - i. The Applicant and all major secondary Applicant(s) must submit financial information, including annual reports, audited balance sheets and income statements for the last 3 years immediately preceding the application date.

- ii. A secondary Applicant is major upon having at least 25 percent participation in the applicant company and/or the application, measured in Omani Rials.

3) Details of the composition of the Board of Directors and management structure;

Please provide

Full names and addresses of the company secretary and all directors identifying executive and non-executive positions; this should include all current positions of non-executive members.

4) Details of principal contractors;

Applicants shall provide a list of principal contractors who would be engaged to supply, install and implement the proposed services/solutions as detailed in this license application. The principal contractors must have supplied, installed and implemented in similar organizations and similar in scope to this application.

Applicants shall provide a list of three sites where the proposed contractors have installed and implemented the proposed services/solutions in similar organizations TRA may contact any of these contractors and will enquire about the functional and technical features and the ongoing maintenance and support after implementation. If required, TRA may choose any or all of the reference accounts for a site visit by our evaluation team.

The reference account information, of the principal contractors, must be given in the format listed below:

Client Name and address

Contact Name / Title

Contact Telephone Number

Contact e-mail address

Summary of Project

Capacity Installed

Implementation Scope (Technical specifications to be included)

Date Implementation started

Date went live

Approximate Cost (along with the currency)

2.0 Market, Competition and Risk

Competition strategies for the provision of services:

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

Please provide the sources of information on which the market analysis is based, including on how up to date it is.

2.1 Market Definition and Research

Target markets that the services will offered in as well as the definition of the niche market

Market analysis based on the market facts obtained and target market

Details of market study of the target market, if conducted by the applicant, to support the details in the Business Plan.

Definition of the market segment target.

List, in general, the types of customers the applicant wishes to reach.

Weakness of the proposed services/products in the target market segment

2.2 Services

Describe in detail all the services it intends to provide, including the timing

Provide a list of services the applicant proposes in order of highest sales or significance in product line

Marketplace needs that will be addressed by the proposed products/services

What value do you add to your products/services?

What are the critical factors in the delivery of your services/products?

Unique features or proprietary aspects of Product

What is the uniqueness of your products and services?

What is the differentiating factor of your products and services compared to competitors?

2.3 Marketing and Positioning

Strategy and plan to penetrate the above segment(s).

Definition of the primary marketing channels

Percentage of market share planned in your first two years of operation

Strategy to position the proposed products/services? (good value for price, top quality, cheap and fun)

Detail market position not presently being addressed by the competition?
Strategy for the advertising and promotion of the services.
Timeline for the introduction of the proposed services.

2.4 Competition & Risk

Detail the competition strategies the applicant will use to compete in Oman's telecommunication market and how its operations will contribute to Oman achievement of its vision.

2.4.1 Competition

Details of key competitors in regard to product/service, price, location, promotion, management, and financial position.

Detail the type and level of direct completion, including the names of the providers, if any

Does the competition use the same or different suppliers of the infrastructure equipment? Please provide details.

2.4.2 Business Risks

Identify the potential market and service provision risks that the applicant will face in the marketplace..

Provide a strategy to manage the identified market and service risks.

Provide details of any strategic alliance the applicant has entered into or proposes to enter into for the provision of the services and entering the marketplace.

For any strategic alliances, state the details of the partner and the nature of the alliance including any identified risks and opportunities arising out of this alliance.

Market and Sales Plan

Details							Comments
Subscribers							
Volumes by service							This will reflect the details provided above
i. Volumes of Service 1							In units and OMR
ii. Volumes of Service 2							
iii.							
Installed Capacity by equipment and region							Details tied up with section 4.0 along with supplier
i. Capacity equip - region 1							
ii. Capacity equip - region 2							
iii.							

3.0 Operations and Management Plan

The Applicant shall provide the TRA with evidence of experience in the provision of telecommunications services being applied for in a competitive market. The Applicant must demonstrate as a firm/consortium, experience in setting up and in operating and managing the facilities required under this license application in a competitive market.

3.1 Applicant Experience

- a) a description of their activities;
- b) the size of each market;
- c) the number of subscribers;
- d) financial performance;
- e) size of network/facility;
- f) complexity of physical environment (and any similarity to Oman).

Where the applicant depends on the experience and expertise of its partners (consortium and strategic alliances), the above details are to be provided in addition to the following:

- a) of the track record of the consortium partners and/or other relevant parties; and
- b) on how it will apply and leverage on any relevant experience and expertise from consortium partners or other parties which it commits to Oman; highlighting how these will give it a strategic or competitive advantage.

The above details are to be provided in the form in Attachment A

3.2 Management Team

The Management Team must consist of different members to provide specialized support in areas related to technical operations, management operations and regulatory matters related to provision of telecommunication services.

The key team members of the core team of the applicant must have direct experience of developing and of working in a position on previous assignments similar to the position proposed to operate the infrastructure under this license application. Key members of the core team must demonstrate a minimum of two of the following:

- i. Experience in at least one (1) program involving setting up a similar infrastructure and facility as that of in this application

- ii. Experience in at least one (1) program involving the operations and maintenance of a similar infrastructure and facility as that of in this application.
- iii. Experience in at least one (1) program involving the related regulatory experience including the regulatory reporting requirements in both technical and financial matters.

The Applicant should include CVs of key personnel and staff members whom the applicant plans to be part of the set up and roll out and the operations of the License, if awarded.

CVs for each individual shall be provided in the form as provided in Attachment B. All personnel assigned to the set up, rollout and operation of the License shall have the appropriate education and experience consistent with the purpose for which they are to be deployed.

3.3 Management Structure

- i. Include an organization structure showing the CEO/GM and direct reports with names (if already existing).
- ii. In the case of the applicant is yet to recruit the full team, please provide details of the strategy to setup and roll out the infrastructure including details of strategic alliances.
- iii. For strategic alliances, state the details of the partner and the nature of the alliance. Please include the risks and opportunities of such an alliance including the duration. (CVs of the key members of the strategic partner is to be included in the same format as ii above)
- iv. For professional services such as Corporate Legal Advisor, Accounting Firm and/or other consultants list these companies and the nature of their service.

4.0 Technical plan and capability

a) Network Configuration :

The overall infrastructure and components of the international and national networks to enable the provision of the telecommunication services. The description will include the network management capabilities, routing plan, transmission plan, signaling plan and diversity plans.

b) Network Facilities:

The planned locations and technical details of its network such as international and national stations and gateways, local/tandem/trunk exchanges, land lines, cable ducts, radio base stations sites and other equipment to be installed and frequency spectrum to be used.

c) Network Coverage and Capacity:

The planned geographical coverage of the network upon launch of services and the network capacity expansion plans for the 5 years of operation; and commitments for improvements to infrastructure facilities for the next five years.

d) Network Interconnection:

Technical proposals for interconnection with other Class 1 Licensees (including signalling, transmission and synchronization requirements), covering the interconnection configuration, point of interconnection interface requirements and diversity arrangements.

e) Network Code of Practice, Security and Protection:

- i. Network performance with an indication of the minimum standards; and
- ii. Details of network security, IT/system security and physical network protection.

f) Network technologies:

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

g) The applicant shall submit a broad network rollout plan and its strategy to implement the network rollout plan



h) The applicant should demonstrate its technical experience and capability in the relevant technical areas and/or access to such expertise and experience, including managerial expertise.

5.0 Capital Requirements and Funding Plan

The applicant shall submit its capital requirements and funding plans of its proposed investment for the first five years of operations in this section.

This section must reflect the details described in the Section on the Technical Plan with cross-references as appropriate.

- a. The details to be provided include:
- b. Total amount of the capital required?
- c. Provide the breakdown of funds that would be spent on:
 - Complete development
 - Purchase
 - Market the new/next product line
 - Fund working capital
 - Other
- d. Details of the proposed financing plan, including:
 - i. The proposed sources of funds and the amounts from each source;
 - ii. Timing of funding initiatives and injection of funds;
 - iii. Planned repayment terms and schedule for loans, loan stock and debentures;
 - iv. Credit facilities available;
 - v. What is the payback period of these funds?

The Capital Plan is to be provided for the first 5 years and must show depreciation as well. A form for guidance is provided below:

Details							Comments
INVESTMENTS							
1. Telecommunications Plant & Machinery							This will reflect the details provided in section 4.0
iv. Plant & Machinery 1							Details tied up with section 4.0 along with supplier
v. Plant & Machinery 1							
vi. Plant & Machinery 1							
vii. Plant & Machinery 1							
viii.							
2. Furniture, Vehicles and Equipment							This will detail the non-telecommunications assets required to support the operations applied for in this application
i. Office Furniture							
ii. Vehicles							
iii. Equipment, including IT							
iv.							
3. Plant Spares							
A. TOTAL INVESTMENTS							
FUNDING							
1 Share Capital							
2 Bank Borrowings							
3 Shareholder Borrowing							
4							
B TOTAL FUNDING							This must be equal to A for each years and in total

6.0 Financial Plan

The applicant shall submit its financial plans of its proposed operations for the first five years of operations, including;

- a. Profit and loss accounts, balance sheets and cash flow statements.
(Formats provided in Attachment C for guidance and the applicant is free to follow its own format without losing the details as detailed in the attachment)
- b. All assumptions used (e.g. asset depreciation policy, subscriber projections, annual increase/decrease in operating expenditure) shall be clearly explained.
- c. Key Financial Performance Indicators including return on assets, return on equity, operating profit margin, net profit margin, current ratio, quick ratio and debt-equity ratio. The formula used in computing each ratio should also be provided.
- d. Forecasts of the internal rate of return, net present value and payback period of the investment. In addition, the net present value at 10% and corresponding payback period shall be computed. The rate of return normally required by the applicant for capital invested shall also be provided (i.e. the hurdle rate);
- e. A detailed plan of all working capital requirement for the first 5 years of operation;(the format provided in section 5.0 for Capital Requirements and Funding Plan to be used)
- v. Provisions made for contingent sources of fund. Where relevant, letters of intent, guarantor letter and other documents should be provided to substantiate the financing and loan/credit facilities.
- f) Where the Applicant is a consortium, the above evidence shall be required for each member of the consortium, Omani or foreign.

ATTACHMENT A

STANDARD FORM FOR APPLICANT'S RELEVANT EXPERIENCE

Specific experience of the applicant and/or its partners must be submitted in the following basic format and contain the listed information as a minimum.

Summary of experience of operating similar facilities for which this license application is being made (to be listed in order of Oman, Middle East and International):

: *Name*

Description and size and depth of involvement:

- a) a description of their activities;
- b) the size of each market;
- c) the number of subscribers;
- d) financial performance;
- e) size of network/facility;
- f) complexity of physical environment (and any similarity to Oman).

Approximate number of employees in the Company:

Role undertaken by the Applicant/partner:

Deliverables and achievements:

: Dates

Summary of other relevant experience (to be listed in order of Oman, Middle East and International):

: Name

Description and size (in terms of market size with number of customers and volumes) and depth of involvement:

- a) a description of their activities;
- b) the size of each market;
- c) the number of subscribers;
- d) financial performance;
- e) size of network/facility;
- f) complexity of physical environment (and any similarity to Oman).

Approximate number of employees in the Company:

Role undertaken by the Applicant/partner:

Deliverables and achievements:

: Dates

ATTACHMENT B

STANDARD FORM FOR CVs

CVs must be submitted in the following basic format and contain the listed information as a minimum.

Name :

Designation:

Professional qualifications:

Years of professional experience :

Years employed by the Applicant :

Specialization and key experiences :

Proposed position and involvement on team :

Description of Proposed Role :

Experience of working on similar positions on similar assignments :

Assignment name :

Assignment description and size :

Approximate size in terms of customers and revenues :

Specific role and responsibility:

Dates :

Other relevant experience :

Assignment name :

Assignment description and size :

Approximate size in terms of customers and revenues :

Specific role and responsibility:

Dates :

ATTACHMENT C

Form of Balance Sheet, Profit and Loss (Income Statements) and Cash Flow Statement.
Where the applicant is providing services under another license, the Balance Sheet, Profit and Loss and Cash Flow must be submitted separately for each license and then consolidated.

BALANCE SHEET

DETAILS	[year 1]	[year 2]	[year 3]	[year 4]	[year 5]	Comments
Assets						
Non-current assets						
Property, plant and equipment						
Total non-current assets						
Current assets						
Inventories						
Trade and other receivables						
Cash and cash equivalents						
Total current assets						
Total assets						
Equity and liabilities						
Capital and reserves						
Share capital						
Statutory reserve						
Retained earnings – Profit/(Loss)						
Non-current liabilities						
Bank and other Borrowings (long term borrowings)						
Deferred revenue						
Total non-current liabilities						
Current liabilities						
Trade and other payables						
Bank overdraft						
Loans from parent Company						
Total equity and liabilities						

PROFIT AND LOSS ACCOUNT (INCOME STATEMENT)

DETAILS	[year 1]	[year 2]	[year 3]	[year 4]	[year 5]	Comments
Revenues						
Service Revenues						A revenue plan is to be provided to tie in with section 2.0
Less: Discounts						To tie in with section 2.0
Interconnection Revenues						
Total Revenues						
Operating Expenses						
Interconnection and Access expenses						Provide details to which operators, including International
Depreciation						
Royalty						Provide Details and show calculation in Revenue plan
Staff Costs						
Operating and Maintenance Costs						
Other Operator Charges (roaming, etc)						
Provision for Bad Debts						
Marketing and Advertisement						
Overhead Costs						
Annual License Fees						Detail assumptions
Current liabilities						
Total Operating Expenses						
Operating Profit						
Interests						
Profit before Tax						
Tax						
Net Profit for the year						

CASH FLOW STATEMENTS

DETAILS	Year 1	Year 2	Year 3	Year 4	Year 5
Operating activities					
Profit before tax					
Adjustments for:					
Depreciation of property, plant and equipment					
Deferred revenue					
Finance charges- Interests					
Operating cash flows before movement in working capital					
Changes in working capital:					
Inventories					
Trade and other receivables					
Trade and other payables					
Cash generated from operations					
Income tax paid					
Net cash from operating activities					
Investing activities					
Purchase of property, plant and equipment					
Interest received					
Net cash used in investing activities					
Financing activities					
Share capital issued					
Dividend paid					
Bank borrowings					
Interest paid					
Borrowings from Parent Company					
Net cash used in financing activities					
Net change in cash and cash equivalents					
Cash and cash equivalents at the beginning of the period					
Cash and cash equivalents at the end of the period					