

POSTAL AND TELECOMMUNICATIONS REGULATORY AUTHORITY OF ZIMBABWE (POTRAZ)

INFORMATION ON CONVERGED LICENCES

1. Introduction

In exercising its mandate in line with the Postal and Telecommunications Act [Chap 12:05], the Postal and Telecommunications Regulatory Authority (POTRAZ) (hereinafter referred to as the “Authority”) issues these guidelines for granting converged electronic communication licences in Zimbabwe.

The increasing uptake of Internet of Things (IoT), Big data, cloud-based services among other emerging technologies introduces a new set of required services. Furthermore, the evolution of mobile networks towards an all-IP 4G LTE, VoLTE and 5G technologies introduces new challenges for traditional voice and data services. Demand for high quality communication services has risen to levels where incumbent operators cannot adequately satisfy it. This level of technological development in the fields of information communications technology has created a telecommunications industry that beckons for a new regulatory approach on facilities, transmission, switching and access communications networks. The import of the new regulatory approach is to open the telecommunications sector to more players, thereby increasing competition and resultantly the quality of services delivered. Licensed operators can leverage on technology to bring down the cost of services without compromising on quality of services provided to end-users.

It is in this regard that these guidelines have been prepared to facilitate participation in the sector due to the low entry barriers created by the converged licensing framework.

2. Licence Categories

The electronic converged licensing framework referred to as the Unified Telecommunication Services Licence, consolidates the following four broad licence categories: -

2.1. Unified Telecommunication Services Licence

2.1.1. Network Facilities (NF) Licence

The telecommunication licence for Network Facilities licence authorises a licensee to build, own and manage **passive** infrastructure that facilitates provision of electronic communications through lease or resell to other telecommunication operators, but specifically prohibits the licensee from providing services directly to

end-users. The passive telecommunications infrastructure that falls within the scope of this licence includes but not limited to the following:

- a) dark fibre optical cables
- b) copper cables
- c) towers and associated site equipment
- d) ducts and associated civil work structures used in conjunction with other network facilities.

2.1.2. Network Services (NS) Licence

The telecommunication licence for Network Services shall authorise the licensee to operate and maintain **active** electronic communication equipment to offer wholesale services to other licensees through network facilities offered by a Network Facilities service provider. The active electronic communication equipment that falls within the scope of this licence include but not limited to the following electronic infrastructure of the network:

- a) Radio Access Network – RAN that include antennas/transceivers, base stations, radio controllers, backhaul network elements.
- b) Multi-Operator Core Network - MOCN that include servers and core network functionalities.

The thrust of the Network Service licence is to reduce operational costs, expand network coverage, increase competition, and provide additional network capacity. It intends to maximize the capacity and capability of existing network facilities by leasing various active elements of the network including the radio frequency spectrum allocated to individual telecommunication service providers.

2.1.2.1. Rural Fixed Broadband Wireless Access (RFBWA) Licence

The telecommunication licence for the RFBWA network authorizes the licensee to install and operate a broadband fixed wireless access network in rural or farming areas of the country. The network will operate in the Industrial, Scientific, and Medical (ISM) unregulated radio frequency spectrum bands of 2.4GHz and 5GHz. Services that fall within this RFBWA Service provider licence include but not limited to voice, video, data, messaging services, mobile money services among other customer facing services. Licensees shall abide by the conditions applicable to use of RFBWA systems as stipulated in the Fifth Schedule of the Statutory Instrument 12 of 2021.

2.1.3. Application Service (AS) Licence

The telecommunication licence for Application Services shall authorise the licensee to provide end-user electronic communication services. The salient feature of this licence is that the licensee does not own network infrastructure nor operate a network. The scope of the telecommunication licence for Application Services may be specific to one or more services or applications. Services that fall within this Application Service provider licence include but not limited to voice, video, data, messaging services, mobile money services among other customer facing services.

This Application Service licence consolidates the following three broad licence sub-categories:

2.1.3.1. General Licence for Application Services

The General Licence for Application Services is a licence authorises the provision of Emerging Technology services i.e., services uniquely important for use in various sectors such as education, health, agriculture, utility, information technology, manufacturing, and transportation among others.

The services are provided without human intervention, generally referred to as machine-to-machine (M2M) communication, through the exchange of data among many virtual and physical things connected to the Internet. The services are to be provided through wired and wireless network infrastructure provided by service providers licensed by the Postal and Telecommunications Regulatory Authority of Zimbabwe – POTRAZ. The services may be provided using licence-exempt Industrial, Scientific, and Medical (ISM) radio frequency spectrum in accordance with **Part IX of SI 12 of 2021** on Low Power Short Range and Ultra-Wide Band Devices that operate within the provisions of the **Sixth Schedule** of the instrument. The tenure of the licence is 20 years.

2.1.3.2. Mobile Virtual Network Operator (MVNO) licence

A mobile virtual network operator (MVNO) is a wireless communications services provider that does not own the wireless network infrastructure over which it provides services to its customers. An MVNO licence authorises the licensee to negotiate with and enter into a business agreement with a mobile network operator (MNO) licensee to obtain bulk access to network services and radio frequency spectrum at wholesale rates, then sets retail prices independently. The MVNO licence allows the prospective licensee to negotiate for concession at any point in the MNO value chain, hence an MVNO may decide to use own customer service, billing support systems, marketing, and sales personnel, or it could employ the services of a

mobile virtual network enabler (MVNE). This will result in the following variants of the MVNO licence available issuance:

a) Full MVNO

Full MVNOs licence authorizes the licensee to negotiate with an MNO for usage of the radio access network (RAN). The licensee should have access to the rest of the MNO value chain independent of the host MNO.

b) Light MVNO

A Light MVNO licence authorises a licensee to negotiate with a host MNO for usage of the radio access network and the core network for network operational management whilst they put more emphasis on investing more resources on customer relations, sales, branding, marketing, and customer service.

c) Branded/Reseller MVNO

This licence authorises the Reseller MVNO to take advantage of working under its own brand (or in conjunction with MNO) to be responsible for branding, customer care, sales and marketing costs and shares the revenue with the host MNO. However, the licensee does not receive ownership of subscribers, infrastructure, or SIM cards.

d) Mobile Virtual Network Enabler (MVNE)

An MVNE is a company licensed to provide network infrastructure and related services such as administration, business, and operations support systems on behalf of an MVNO to enable the MVNO to focus on offering services to their own customers under their own brand.

2.1.3.3. Internet Service Provider (ISP) licence

An Internet Service Provider (ISP) licence authorises a licensee to provide access to the worldwide web usually through fixed, mobile or satellite broadband connection at home, office or on the go. The licence allows the licensee to offer other services such as web hosting, electronic mail hosting, digital storage, and access to software among others. The sub-licences on offer are at national, provincial, metropolitan, district or at community level.

2.2. International Gateway Services (IGS) licence

The telecommunications licence for International Gateway Services shall authorise the licensee to operate and maintain telecommunication facilities that allow interchange of electronic communication traffic between Zimbabwe and other

countries. The international traffic so received must terminate on the licensee's network in compliance with Statutory Instrument 163 of 2008.

NB. Each licence category issued authorises the licensee to offer services provided for under its subsequent sub-licence categories at no additional licence fee.



